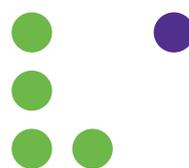


# 2012/13

## ANNUAL REPORT AND FINANCIAL STATEMENTS



**vision  
australia**

blindness and low vision services



## **OUR VISION**

Vision Australia is a partnership between people who are blind, sighted or have low vision. We are united by our passion that people who are blind or have low vision will have access to and fully participate in every part of life they choose.

## **OUR MISSION**

Vision Australia will achieve this through creating a community partnership of knowledge, skills and expertise to enrich the participation in life of people who are blind or have low vision and their families. We will ensure that the community recognises their capabilities and contributions.

When Neva, now five, was born everyone admired her very blonde hair. When Neva's mother, Amy, realised Neva had albinism, she was devastated. "How is she going to cope at school, is she going to be picked on?" recalls Amy. "Fortunately Vision Australia has given us a lot of assistance and she is now at school and even learning ballet."

# WELCOME

This year Vision Australia has combined our annual and financial reports for a complete overview of the organisation.

A general overview of the organisation's performance and developments over the past financial year can be found in the early pages of this report.

For a more detailed analysis of Vision Australia's 2012/13 financial performance, refer to the financial statements from page 7.

Major financial supporters are listed at the end of this report, although we would like to express our appreciation to all our stakeholders, no matter how they support the work Vision Australia does.

Cover: Fiona Robbins, a Vision Australia occupational therapist, worked with Betty to ensure she could remain independent in her own home after her eyesight deteriorated quite quickly following the death of her husband.

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## Accessibility

This document is also available online at [www.visionaustralia.org](http://www.visionaustralia.org) to read using speech output software and on request in large print, braille and audio formats.

# CONTENTS

- 2** Chair and CEO message
- 4** What we do
- 7** Financial Statements
  - 9** Director's report
  - 22** Consolidated Statement of Profit or Loss and Other Comprehensive Income
  - 23** Consolidated Statement of Financial Position
  - 24** Consolidated Statement of Changes in Equity
  - 25** Consolidated Statement of Cash Flows
  - 26** Notes to the Financial Statements
  - 58** Director's Declaration
  - 59** Executives' Declaration
  - 60** Auditor's Independence Declaration
  - 61** Independent Auditor's Report
- 63** Major supporters
- 68** Fast facts



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# CHAIR AND CEO MESSAGE

The independence of our clients is at the heart of everything we do at Vision Australia and this past year has brought both gains and challenges to the services we provide. The future will bring further opportunities and challenges, but we will only remain sustainable by constantly monitoring our resources and requirements to ensure continuous delivery of services.

A new, three-year strategic plan will be complete in late 2013. This plan will ensure we are 'fit for the future'. We are already on the way with an operating surplus of \$103,000 following increased fundraising and active management of costs. But our goal remains to provide sustainable services our clients value.

The past two years have also been spent preparing for the introduction of the National Disability Insurance Scheme which commenced at selected sites around Australia on 1 July, 2013 (see page 4). The National Disability Insurance Scheme

is not available to those aged 65 and over unless they enrolled prior to age 65. There are also still questions around support available for those with low vision.

Government and state funding is increasingly becoming 'person-centred' or 'self-directed', which is an important development for clients, giving them increased choice in service providers. However this also means that Vision Australia, and other disability providers, must become more competitive.

These changes mean that our all our services must work to attract clients. We must also plan which services can continue if government funding is no longer available and donations do not allow us to support everything we have done in the past.

We are committed to equality of opportunity for clients across Australia so we are working to standardise availability of services. This at times requires difficult



Vision Australia has a proud history of **147 years** of consecutive service and experience through the eight heritage organisations which now form Vision Australia. With more than

33,000 clients, we continue to work to ensure our services are sustainable so that all Australians who are blind or have low vision can plan their own independent futures.

decisions. We will continue to advocate strongly to all governments, from federal to local, for equality of opportunity for Australians who are blind or have low vision.

We celebrate the opportunities which will also be available in the coming years, including greater opportunities for services supplied through video-conferencing across all age groups, and opportunities to assist clients with new services which will arise through research.

To all Vision Australia stakeholders in these challenging but exciting times, please accept our thanks for the wonderful job you do for our community. Without our vigilant members, our generous donors,

our wonderful volunteers and our enthusiastic staff, we would not be able to support our clients to live their lives the way they want.



Kevin Murfit,  
Chair  
Vision Australia

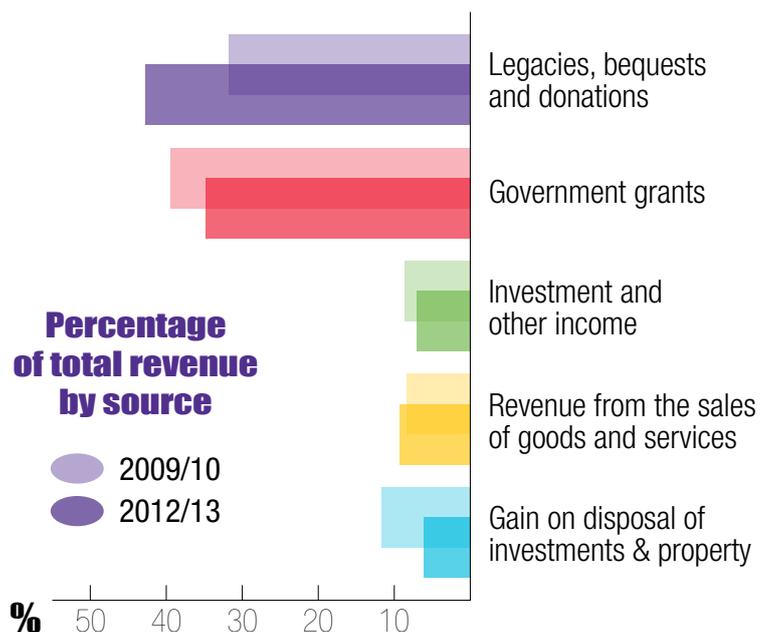


Ron Hooton,  
Chief Executive Officer  
Vision Australia



## CHANGING REVENUE

This graph shows the decline in government grants over the past three years, while legacies, bequests and other donations have fortunately increased. Our new strategic plan will assist Vision Australia to remain sustainable in a newly competitive service environment.



# WHAT WE DO

Vision Australia is a not-for-profit organisation providing blindness and low vision services to Australians of all ages. We have almost one and a half centuries of experience through the eight heritage organisations\* which together now form Vision Australia.

We offer a wide range of services including low vision clinics, orientation and mobility services, Seeing Eye Dogs, children's services, library and alternate format information and advocacy services. Most services are available from 27 sites and 29 clinics while our library and Seeing Eye Dogs services are available across Australia.

Vision Australia offices at Geelong, Victoria, and Newcastle, NSW are also demonstration sites for the **National Disability Insurance Scheme** which will be national by 2018.

At these sites we are testing new service development initiatives with clients eligible for National Disability Insurance Scheme support so we can build an evidence base to share with all other Vision Australia sites as the scheme expands.

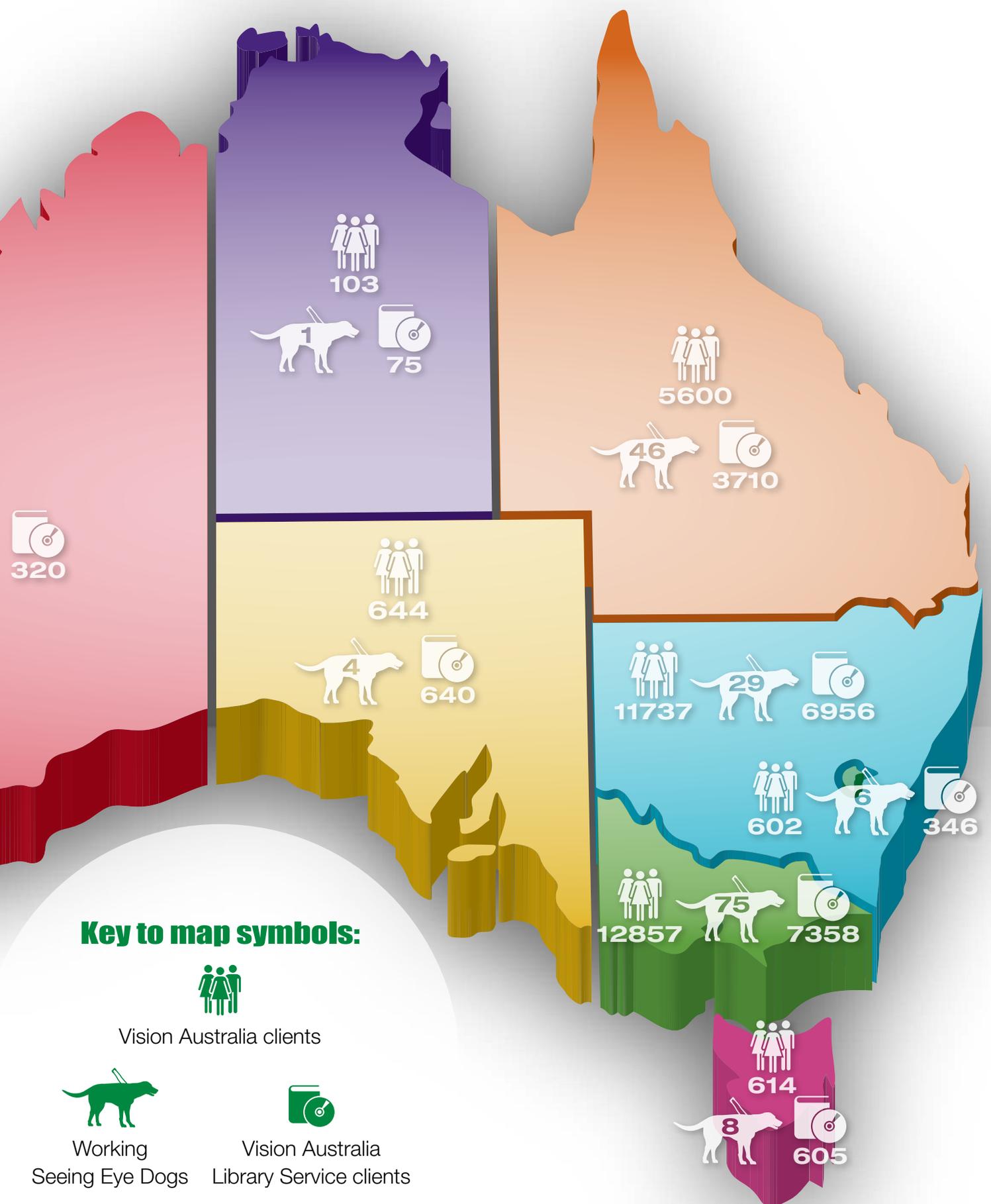


There are **66 Local Client Groups** in Queensland, New South Wales, ACT and Victoria which connect people who are blind or have low vision. Groups enjoy a variety of activities and family and friends are welcome

to join in. For your nearest group, visit [www.visionaustralia.org/about-us/client-consultation-and-engagement/local-client-groups](http://www.visionaustralia.org/about-us/client-consultation-and-engagement/local-client-groups) or phone **(02) 9334 3293**.

For further information, go to [www.visionaustralia.org](http://www.visionaustralia.org)





\* Heritage organisations now forming Vision Australia: Royal Blind Society, Royal Victorian Institute for the Blind, Vision Australia Foundation, National Information Library Services, Royal Blind Foundation Queensland, Hear a Book, Seeing Eye Dogs Australia and 5RPH.



There are many different reasons people may be blind or have low vision. Some typical conditions are listed below, with representations of how a person with that condition may see the iris shown above:

### **Age-related macular degeneration (AMD)**

is the leading cause of severe vision impairment in people over 40 years in Australia. There are two types of AMD, dry or wet. Dry AMD is the most common and results in a gradual loss of central vision and no treatments are currently available. Wet AMD treatments are aimed at preventing further vision loss.



**Albinism** is usually discovered at birth because the child will often have white-blond hair and very fair skin as well as pale coloured eyes with significant vision impairment due to the lack of melanin in affected individuals. Children with albinism are prone to sunburn and need protection from glare as well. Glasses, contact lenses and other aides can assist children with their vision.



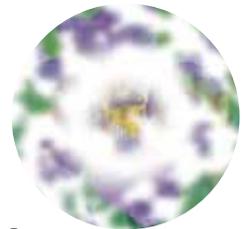
### Inherited **retinal dystrophies** are

chronic and disabling disorders of visual function. Retinitis pigmentosa (simulation shown) is the most common retinal dystrophy and the condition can vary greatly. Some people retain limited vision throughout their lives while others lose their sight completely. It often occurs during adolescence and there is no treatment or therapy for the condition.



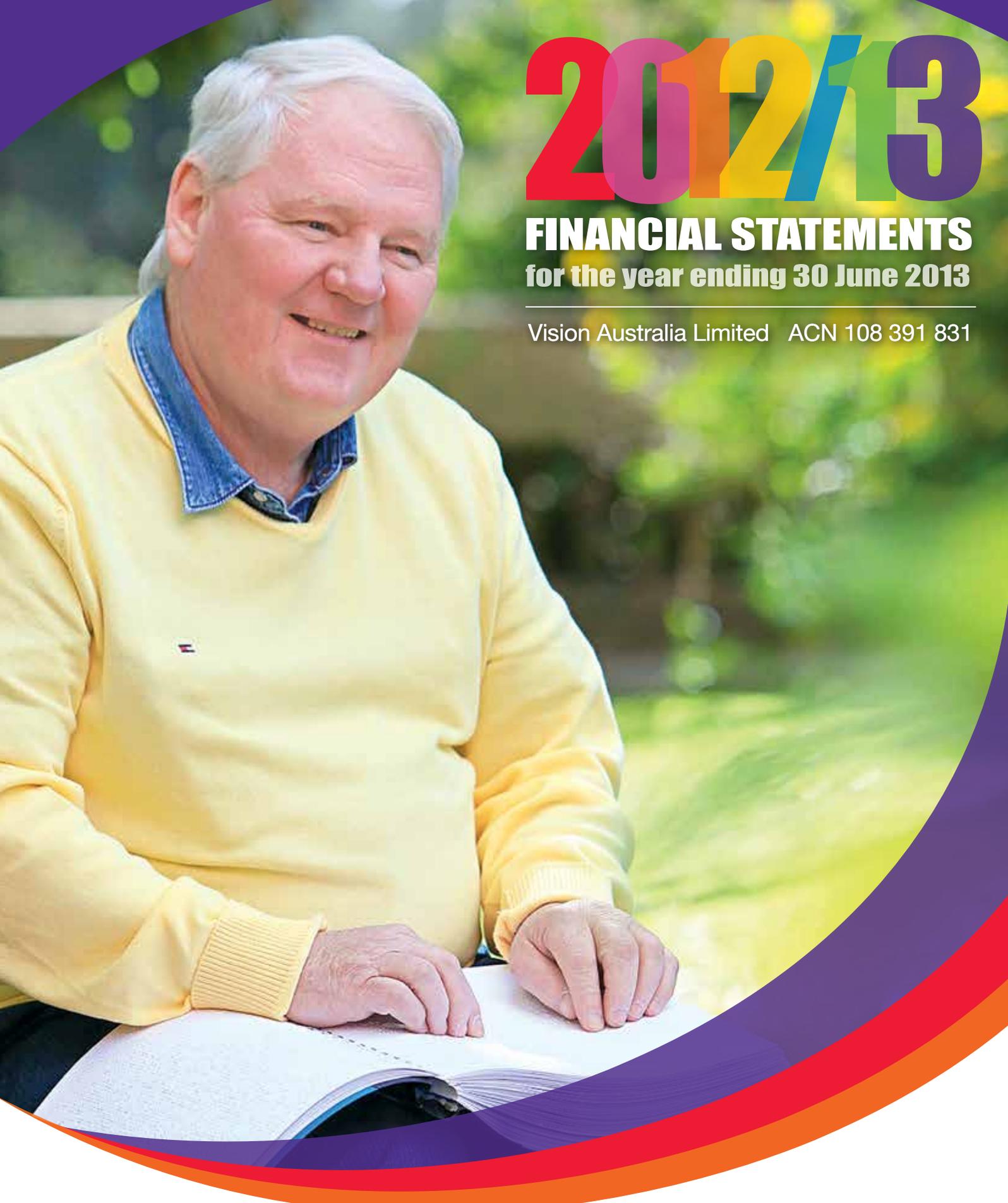
### **Diabetic retinopathy**

occurs when the tiny blood vessels inside the retina at the back of the eye are damaged as a result of diabetes. This can seriously affect vision and in some cases, cause blindness. Typically, blurred or distorted vision makes it difficult to read standard print, watch television or see people's faces and there is an increased sensitivity to glare and difficulty seeing at night. Laser and other surgical procedures can slow the progression of the disease and decrease the risk of vision loss.



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For more information on eye health, care and conditions, visit [www.visionaustralia.org](http://www.visionaustralia.org)

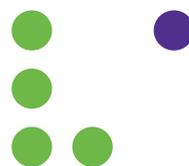


# 2012/13

## FINANCIAL STATEMENTS for the year ending 30 June 2013

Vision Australia Limited ACN 108 391 831

Above: Bruce Blackshaw was a teacher before a stroke left him with vision loss. "I don't know where I'd be without Vision Australia," he says.



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# CORPORATE DIRECTORY

## Directors

Kevin Murfitt (Chair)

Lyn Allison

Keith Barton

Nick Carter

Don Fraser

Paul Gleeson

Jan Lovie-Kitchin

Ron McCallum

Ross McColl

Andrew Moffat

Theresa Smith-Ruig

Owen van der Wall

## External Auditors

Deloitte Touche Tohmatsu

550 Bourke Street

Melbourne Vic 3000

## Principal and Registered Office

454 Glenferrie Road

Kooyong Vic 3144

## Incorporation

Vision Australia Limited ABN 67 108 391 83, 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).

## Chief Executive Officer

Ron Hooton – (appointed 22/01/2013)

David Speyer – Acting (14/05/2012 to 21/01/2013)

## Company Secretary

David Speyer

Stephen Crook

## Internal Auditors

Ernst & Young

8 Exhibition Street

Melbourne Vic 3000

## Bankers

National Australia Bank

500 Bourke Street

Melbourne Vic 3000

## Investment Advisors

Strategic Capital Management Ltd

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)

# DIRECTORS' REPORT

The directors of Vision Australia Limited submit herewith the annual report of the company for the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

## 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:

<b>Directors Name</b>	<b>Particulars</b>	<b>Special Responsibilities</b>
Kevin Murfitt, PhD, BA (Hons), Chair	Lecturer	Audit, Finance and Business Risk Committee, Property Committee, Human Resources Committee, Client Services Committee, Board Development & Nominations Committee
Lyn Allison, BEd, AAICD	Former Senator	Client Services Committee
(Ronald) Keith Barton, PhD, BSc, FTSE	Non Executive Director	Human Resources Committee, Property Committee
Nick Carter, FRICS, FAPI, FAICD	Business Owner	Property Committee
Donald Fraser, BSc (Hons), Dip Ed, MBA, M.Comm.Law, DBA, FACS, FAICD	Business Manager	Human Resources Committee, Board Development & Nominations Committee
Paul Gleeson, BSc, LLB, LLM	Solicitor	Audit, Finance & Business Risk Committee, Vision Australia Trust Board, Client Services Committee
Professor Jan Lovie-Kitchin, MSc (Optom) (Melb), Grad Dip (Rehab Stud) (La Trobe), FAAO	Adjunct Professor and Chair of the University Human Research Ethics Committee	Client Services Committee
Professor Emeritus Ron McCallum AO, BJuris, LLB,(Hons) (Monash), LLM Qu, Deputy Chair	Professor of Law, Chair United Nations Committee on the Rights of Persons with Disabilities, Senior Australian of the year 2011	Human Resources Committee, Board Development & Nominations Committee
Ross McColl, BEcon (Monash), FCA	Chartered Accountant (retired)	Audit, Finance & Business Risk Committee, Vision Australia Trust Board, Property Committee
Andrew Moffat BCom, LLB	Accredited Mediator	Audit, Finance & Business Risk Committee, Vision Australia Trust Board
Theresa Smith-Ruig, PhD, B Com (Hons)	Lecturer	Human Resources Committee
Owen van der Wall, Deputy Chair	Retired Banker	Property Committee, Board Development & Nominations Committee

## 2. Company Secretary

David Speyer, ACA.

Stephen Crook, CA, ACSA

### 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, four Property Committee meetings, three Human Resources Committee meetings, four Client Service Committee meetings, three Board Development Committee meetings and six Vision Australia Trust (VAT) Board meetings.

	Date Appointed	Board		Audit, Finance & Business Risk Committee		Property Committee		Human Resources Committee		Client Services Committee		Board Development Committee		VAT Board	
		M	A	M	A	M	A	M	A	M	A	M	A	M	A
Kevin Murfitt (Chair)	11 May 04	6	6	8	7	4	3	3	3	4	3	3	3	3	5
Lyn Allison	31 Jul 08	6	6							4	4				
Keith Barton	11 May 04	6	6			4	4	3	3						
Nick Carter	15 Dec 06	6	5			4	4								
Don Fraser	31 Jul 08	6	5					3	2			2	2		
Paul Gleeson	11 May 04	6	5	8	8					4	4			6	6
Jan Lovie-Kitchin	29 Jun 07	6	6							4	4				
Ron McCallum AO	09 Jan 06	6	2					3	1			3	1		
Ross McColl	10 Jul 06	6	4	8	7	4	4							6	5
Andrew Moffat	26 Aug 11	6	5	8	8									6	6
Theresa Smith-Ruig	26 Jun 07	6	6					3	3						
Owen van der Wall	11 May 04	6	6			4	-					3	2		

**M** - Number of meetings Directors could have attended **A** - Number of meetings attended.

# DIRECTORS' REPORT CONTINUED...

## 4. Corporate governance

The Board supports the corporate governance principles and recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council. Vision Australia Limited is not a listed company and has no obligation to adopt these 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 2013 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 website at <http://www.visionaustralia.org/chartersandpolicies>.

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.

# DIRECTORS' REPORT CONTINUED...

## 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 2013.

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 three terms of three 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 <http://www.visionaustralia.org/chartersandpolicies>.

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 set out in the Annual Report. The profiles outline the skills, experience and expertise of each Director, including the period of office held by each director.

The Board appointed a Board Development & Nominations Committee to oversee selection for appointment and the induction process for Board and Committee members. The Board Development and Nominations Committee comprised the following members during the year:

Kevin Murfitt (Chair)

Ron McCallum

Owen van der Wall

Don Fraser – appointed 07/03/2013

The main responsibilities of the committee include:

- present recommendations for changes to the Board membership in order to achieve a balance of skills, experience, gender and of sighted and non-sighted members;
- recommend to the Board the appointment of a Director to fill a casual vacancy;
- assist the Chair in the appointment of Board Committees;
- provide for orientation of new Directors on their legal, fiduciary, trustee and corporate responsibilities;
- assist in the development of Directors' skills by field visits, seminars, and reading resources;
- assist the Chair in the conduct of an annual evaluation of Directors;
- assist the Chair in the conduct of an annual evaluation of the effectiveness of the Board as an entity; and
- oversee appropriate Board succession planning

New Directors are advised of the time commitment required of them in order to appropriately discharge their responsibilities as a Director of the Company. Directors are required to confirm that they have sufficient time to meet this requirement.

# DIRECTORS' REPORT CONTINUED...

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.

The Board Development and Nominations Committee charter can be viewed on the Vision Australia website at <http://www.visionaustralia.org/chartersandpolicies>.

## **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. The Code reflects Vision Australia Limited's values of integrity, honesty, trust, teamwork, respect and a desire for excellence in everything Vision Australia Limited does. 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 regularly reviewed and updated to ensure that it reflects current good practice, and to promote the ethical behaviour of all employees.

In addition, Vision Australia Limited has policies and procedures in place including a whistleblower 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**

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.

Committee members during the year were:

Paul Gleeson (Chair)

Kevin Murfitt

Ross McColl

Andrew Moffat

Roger Zimmerman (Co-opted member)

## DIRECTORS' REPORT CONTINUED...

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:

- 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 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.

The CEO and General Manager Corporate Services 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 established to review Vision Australia Limited's systems, policies, processes, practices and procedures. The internal audit function is conducted by Ernst & 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 at <http://www.visionaustralia.org/chartersandpolicies>.

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

# DIRECTORS' REPORT CONTINUED...

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.

Foundation Directors during the year were:

Andrew Moffat (Chair from 18/04/2013)

Paul Gleeson (Chair to 18/04/2013)

Ross McColl

Roger Zimmerman

Ron Hooton - appointed 18/04/2013

David Speyer (Company Secretary)

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

Keith Barton

Ross McColl

Owen van der Wall

The Property Committee charter can be viewed on the Vision Australia website at <http://www.visionaustralia.org/chartersandpolicies>.

## 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.

## 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 are 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).

The CRC provides a focus for client interaction with the Board of Vision Australia Limited.

# DIRECTORS' REPORT CONTINUED...

Representatives to the CRC are elected by Vision Australia clients to independently represent their needs and views directly to the Board and senior management. The CRC operates under a Charter that has been approved by the Board and its primary purpose is to provide advice to the Board and management.

The Board receives and considers the recommendations and advice given by the CRC but is not bound by the recommendations or advice given. From time to time the Chair will advise the CRC the two Directors available to join the CRC and these two Directors are to represent the views of CRC back to the Board and represent the views of the Board back to the CRC. The current Board nominees are Kevin Murfitt and Jan Lovie-Kitchin.

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 and have established a Client Services Committee with the following membership:

Jan Lovie-Kitchin (Chair)

Kevin Murfitt

Lyn Allison

Paul Gleeson

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 Committee's primary responsibilities are to:

- consider issues and offer strategic advice to management on client service matters;
- oversee the formulation of client services' policies and strategies;
- review progress of the implementation of the Annual Business Plans of the client services business units;
- recommend enhancements to the development and delivery of specific client services quality management practices and procedures; and
- assess the capacity of the client services areas to meet the ongoing operations of Vision Australia Limited.

## 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

# DIRECTORS' REPORT CONTINUED...

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.

## 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 (currently \$25,000). Reimbursement is made to directors for reasonable expenses directly related to board activities such as travel, accommodation and meals.

The Board has established a Human Resources 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.

Members of the committee are:

Keith Barton (Chair)  
Kevin Murfitt  
Ron McCallum  
Theresa Smith-Ruig  
Don Fraser

The main functions are to:

- 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);
- review policy recommendations and guidelines related to significant human resource issues; and
- review major human resources processes including, but not limited to:
  - a) Succession planning;
  - b) Workplace relations;
  - c) Occupational health and safety; and
  - d) Professional development.

Note that all policies and charters mentioned above are posted on our website at <http://www.visionaustralia.org/chartersandpolicies>.

# DIRECTORS' REPORT CONTINUED...

## 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.

## 6. Review of Operations

### 6.1 Highlights

During the financial year Vision Australia Limited has continued to fulfil its mission of providing relevant services to people who are blind or vision impaired. In doing so we have continued to focus on innovation, better use of technology and improvements in client service delivery. At the same we have managed our financial position responsibly and have made significant steps to ensure financial sustainability, primarily through an increase in fundraising revenue, active management of costs and productivity improvements.

Some of the more significant achievements are:

- The appointment of a DisabilityCare Australia team that will refine the service model at the two launch sites of Newcastle in New South Wales and Geelong in Victoria making Vision Australia Limited fit for the future in the DisabilityCare environment.
- Opening new service delivery offices in Maroochydore and Robina (Queensland).
- Increasing active participation of library clients from 76% in FY12 to 83% in FY13.
- Transitioning a total of 24 local talking newspapers to a fully automated service.
- Through a research partnership with the Centre for Eye Research Australia, introduced problem solving therapy as a new service for clients who are experiencing signs of depression.
- The retention of the 5 star rating for employment services in Enfield and Caringbah.
- Completion of the first year of delivering remote services to children who are either vision or hearing impaired in partnership with First Voice by using videoconferencing. This has been made possible with \$4,100,000 (over two years) of Australian Government funding.
- Commencement of the construction of the SEDA dog breeding facility in Kensington.

The financial result for the year ended 30 June 2013 was an operating surplus of \$103,000 (refer note 6.3 below). This compares favourably with the \$1,126,000 operating deficit for the previous financial year and is an improvement of \$1,229,000.

### 6.2 Revenue

In 2013 Vision Australia Limited's revenue was \$85,738,000 (2012: \$84,062,000) which was an increase of \$1,676,000 or 2.0%.

The increase in revenue of \$1,676,000 has been achieved from increases in revenue from legacies, bequests and donations by \$1,851,000 increase in grant revenue by \$1,309,000, offset by a reduction in investment income from dividends of \$1,301,000.

# DIRECTORS' REPORT CONTINUED...

## 6.3 Surplus / (Deficit) for the year

	2013 \$'000	2012 \$'000
<b>Adjusted (recurring) Operating Surplus/ (Deficit)</b>	<b>103</b>	<b>(1,126)</b>
Adjust for:		
Gain on sales of property and non-current assets held for sale	-	490
Gain / (loss) on sale of Investments	5,703	(746)
Impairment losses	(751)	(5,056)
Loss on sale of plant and equipment	(167)	(75)
Restructuring costs	(2,457)	(329)
<b>Reported Surplus / (Deficit) for the year</b>	<b>2,431</b>	<b>(6,842)</b>

The reported surplus for the year was \$2,431,000 (2012: deficit of \$6,842,000). After adjusting for non-recurring items Vision Australia Limited reported an underlying operating surplus of \$103,000 (2012: deficit \$1,126,000), an increase in the operating results of \$1,229,000 arising primarily from higher Revenue (6.2 above) and the containment of costs.

The \$5,703,000 gain on sale of investments (2012: \$746,000 loss) arises from realising a gain on sale of \$1,181,000 (2012: loss on sale of \$8,511,000) and the release of impairment charges \$4,522,000 (2012: \$7,765,000) taken up in previous periods against those investments.

## 6.4 Impairments

In 2013, a total of \$751,000 (2012: \$5,056,000) of impairment losses were charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as stated below:

	2013 \$'000	2012 \$'000
Impairment loss on market value of investments	(586)	(4,327)
Reversal of impairment	24	364
Impairment loss on market value of property, plant and equipment	-	(997)
Impairment loss on market value of investment property	-	(96)
Impairment loss on market value for property held for sale	(189)	-
<b>Total impairment losses</b>	<b>(751)</b>	<b>(5,056)</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.

# DIRECTORS' REPORT CONTINUED...

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

Since 30 June 2013 the launch sites for DisabilityCare Australia, that includes Newcastle and Geelong, became live and the change is significant in terms of offering a catalyst for change in the disability sector. It is not anticipated that this will have a material financial impact for financial year 2014.

In addition, on 15 July 2013 Vision Australia Limited received a notice from the Linking Melbourne Authority advising of the potential compulsory acquisition of the SEDA dog breeding site in Kensington.

Other than these items there has not been any matter or circumstance that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial statements, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent 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.

However, the organisation is faced with a number of structural changes scheduled for the 2014 financial year. In addition, external changes that are likely to influence the Company in future years include the implementation of DisabilityCare Australia. The impact of this change is unquantifiable as at the reporting date and management is working in collaboration with regulators to assist in the transition towards implementation of the DCA to ensure better outcome for the clients.

## **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 617 members at 30 June 2013 (2012: 618).

# DIRECTORS' REPORT CONTINUED...

## 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.

## 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 made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the directors:



Kevin Murfitt  
Director

29 August 2013



Paul Gleeson  
Director

29 August 2013

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Revenue	5	85,738	84,062
Raw materials and consumables used		(3,163)	(3,520)
Employee benefits expense	6(b)	(50,890)	(52,989)
Depreciation and amortisation expense	6(b)	(6,009)	(6,614)
Occupancy expense		(5,026)	(4,577)
Communications expense		(1,386)	(2,736)
Transport expense		(2,107)	(1,818)
Administration expense		(1,648)	(3,185)
Finance costs	6(b)	(221)	(178)
Other expenses	6(b)	(15,185)	(9,571)
		<b>103</b>	<b>(1,126)</b>
Gain / (loss) on disposal of assets	6(a)	5,536	(331)
Impairment (expense) / reversal - non current assets held for resale	11	(189)	306
Impairment expense – non current assets	12,13	-	(1,093)
Impairment reversal - intangible assets	14	24	58
Impairment expense - available for sale investments		(586)	(4,327)
Restructuring Costs	32	(2,457)	(329)
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<b>2,431</b>	<b>(6,842)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to surplus or deficit:			
Net change in fair value of available for sale investments		8,003	1,623
Impairment loss on available for sale investments transferred to Statement of profit and loss and Comprehensive Income		586	4,327
Revaluation movements removed on disposal of available for sale investments		(4,522)	(7,765)
		4,067	(1,815)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>6,498</b>	<b>(8,657)</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>Current assets</b>			
Cash and cash equivalents	24(a)	6,070	20,895
Trade and other receivables	7	3,685	3,784
Other financial assets	8	20,598	12,637
Inventories	9	1,167	1,255
Other current assets	10	966	466
		<u>32,486</u>	<u>39,037</u>
Assets classified as held for sale	11	1,792	1,981
<b>Total current assets</b>		<u>34,278</u>	<u>41,018</u>
<b>Non-current assets</b>			
Trade and other receivables	7	193	140
Other financial assets	8	73,639	56,482
Property, plant and equipment	12	94,780	95,532
Investment property	13	652	657
Intangible assets	14	1,969	3,083
<b>Total non-current assets</b>		<u>171,233</u>	<u>155,894</u>
<b>Total assets</b>		<u>205,511</u>	<u>196,912</u>
<b>Current liabilities</b>			
Trade and other payables	15	7,281	6,967
Provisions	16	8,985	8,128
Other current liabilities	17	3,252	1,969
<b>Total current liabilities</b>		<u>19,518</u>	<u>17,064</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	155	159
Provisions	16	993	1,342
<b>Total non-current liabilities</b>		<u>1,148</u>	<u>1,501</u>
<b>Total liabilities</b>		<u>20,666</u>	<u>18,565</u>
<b>Net assets</b>		<u>184,845</u>	<u>178,347</u>
<b>Equity</b>			
Retained surplus	20	179,342	176,911
Reserves	19	5,503	1,436
<b>Total equity</b>		<u>184,845</u>	<u>178,347</u>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	Retained Surplus \$'000	General Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance at 30 June 2011</b>	184,603	-	2,401	187,004
Adjustment for impairment loss on available for sale investments recognised as an expense in the current year	-	-	4,327	4,327
Revaluation movements removed on disposal of available for sale investments	-	-	(7,765)	(7,765)
Transfer of endowment fund to general reserve	(850)	850	-	-
Net change in fair value of available for sale investments	-	-	1,623	1,623
Other Comprehensive Income Surplus for the year	(6,842)	-	-	(6,842)
Total comprehensive income for the year	(7,692)	850	(1,815)	(8,657)
<b>Balance at 30 June 2012</b>	176,911	850	586	178,347
Adjustment for impairment loss on available for sale investments recognised as an expense in the current year	-	-	586	586
Revaluation movements removed on disposal of available for sale investments	-	-	(4,522)	(4,522)
Revaluation increments on available for sale investments	-	-	8,003	8,003
Other Comprehensive Income Surplus for the year	2,431	-	-	2,431
Total comprehensive income for the year	2,431	-	4,067	6,498
<b>Balance at 30 June 2013</b>	179,342	850	4,653	184,845

The accompanying notes form part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	2013	2012
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Cash receipts from operations	80,895	77,518
Interest received	1,539	1,259
Dividends received	4,739	6,040
Payments to suppliers and employees	(81,578)	(77,710)
Bank charges and borrowing costs	(221)	(179)
Net cash provided by operating activities	24(b) 5,374	6,928
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(4,086)	(5,002)
Payment for intangible assets	(592)	(1,457)
Payment for investments and term deposits	(73,246)	(40,233)
Proceeds from sale of property, plant and equipment	398	383
Proceeds from sale of non-current assets classified as held for sale	-	3,519
Proceeds from sale of investments	57,327	46,756
Net cash (used in) / provided by investing activities	(20,199)	3,966
<b>Net (decrease) / increase in cash and cash equivalents</b>	(14,825)	10,894
<b>Cash and cash equivalents at the beginning of the financial year</b>	20,895	10,001
<b>Cash and cash equivalents at the end of the financial year</b>	24(a) 6,070	20,895

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## 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 affecting amounts reported in the current year (and/or prior years)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

#### Standards affecting presentation and disclosure

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Amendments to AASB 101 ‘Presentation of Financial Statements	The amendment (part of AASB 2011-9 ‘Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income’) introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present surplus or deficit and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. Under Section 50-5 of the Income Tax Assessment Act 1997, the Group is exempt from Income tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.
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# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 2: Adoption of new and revised Accounting Standards (cont'd)

### 2.1 Standards and Interpretations affecting amounts reported in the current year (and/or prior years) (cont'd)

#### Standards and Interpretations affecting the reported result or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

## 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 Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements, and comply with other requirements of the law.

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 29 August 2013.

### 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.

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.

### 3.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 3.3 Basis of Consolidation (cont'd)

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control 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 the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal 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. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). 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 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 3.7 Financial assets (cont'd)

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 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.

### 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:

Buildings	2%
Leasehold Improvements	20%
Computer Equipment	33.33%
Furniture, Plant & 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 sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 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

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 3.16 Provisions (cont'd)

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 cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 3.17 Revenue (cont'd)

#### 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 3: Significant accounting policies (cont'd)

### 3.17 Revenue (cont'd)

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## 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 on-cost rates; and
- experience of employee departures and period of service

#### 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 \$20,598,000 (2012: \$12,637,000).

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 4: Critical judgements and key sources of estimation uncertainty (cont'd)

### 4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the 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 & equipment and intangible assets

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

	2013 \$'000	2012 \$'000
Revenue from the sale of goods	6,443	6,654
Revenue from services rendered	2,047	1,874
Commonwealth Government grant income	7,651	5,917
State Government grant income	24,100	24,377
Other grant income	33	181
Legacies, bequests and donations	38,942	37,091
Rental revenue	401	349
Interest revenue	1,219	1,233
Dividend revenue	4,739	6,040
Other revenue	163	346
	<b>85,738</b>	<b>84,062</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Note 6: Surplus / (Deficit) for the year</b>		
<b>(a) Net Gain / (loss) on disposal of assets</b>		
Surplus / (Deficit) for the year has been arrived at after crediting/ (charging) the following gains and losses on disposal of assets:		
Gain on disposal of property, and non-current assets classified as held for sale	-	490
Loss on disposal of property, plant and equipment	(167)	(75)
Gain / (loss) on disposal of investments	1,181	(8,511)
Derecognition of impairments on disposal of investments	4,522	7,765
	<b>5,536</b>	<b>(331)</b>
<b>(b) Expenses</b>		
Surplus / (Deficit) for the year includes the following expenses:		
Employee benefit expense:		
Company contributions to superannuation plans	3,910	3,981
Termination benefits	407	1,137
Other employee benefits	46,573	47,871
	<b>50,890</b>	<b>52,989</b>
Depreciation and amortisation expense:		
Buildings	1,353	1,342
Investment property	5	5
Plant & equipment, furniture & fittings	1,660	2,027
Motor vehicles	862	942
Computers	411	483
Intangible assets (Note 14)	1,718	1,815
	<b>6,009</b>	<b>6,614</b>
Finance costs:		
Interest expense	-	6
Other finance costs	221	172
	<b>221</b>	<b>178</b>
Other expenses includes:		
Equipment and technology	3,204	2,607
Events and fundraising	10,167	4,460
Miscellaneous	1,814	2,504
	<b>15,185</b>	<b>9,571</b>
Operating lease rental expenses included in occupancy expense:		
Minimum lease payments	2,473	2,493
Sub-lease payments received	(373)	(327)
	<b>2,100</b>	<b>2,166</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Note 7: Trade and other receivables</b>		
<b>Current</b>		
Trade receivables <sup>(i)</sup>	1,456	1,193
Allowance for doubtful debts	(28)	(27)
	1,428	1,166
Interest and dividends receivable	1,458	1,778
Sundry debtors	727	840
Net GST recoverable	72	-
	<b>3,685</b>	<b>3,784</b>
<b>Non-current</b>		
Sundry debtors	193	140
<b>Movement in the allowance for doubtful debts</b>		
Balance at the beginning of the year	27	30
Amounts written off as non collectible	(6)	(10)
Amounts recovered during the year	(10)	(6)
Amounts provided for during the year	17	13
Balance at the end of the year	28	27
<b>Ageing of past due but not impaired trade receivables <sup>(ii)</sup></b>		
Current	1,090	967
30-60 days	188	125
60-90 days	60	13
90+ days	90	61
	<b>1,428</b>	<b>1,166</b>
<b>Ageing of impaired trade receivables</b>		
60-90 days	-	-
90+ days	28	27
	<b>28</b>	<b>27</b>

<sup>(i)</sup> 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.

<sup>(ii)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Note 8: Other financial assets</b>		
<b>Current</b>		
Held to maturity investments carried at cost:		
Interest bearing deposits	20,598	12,637
	<b>20,598</b>	<b>12,637</b>
<b>Non-current</b>		
Available for sale investments carried at fair value:		
Managed trusts and funds	8,654	3,831
Fixed interest securities	17,847	14,013
Shares	47,138	38,638
	<b>73,639</b>	<b>56,482</b>

The increase in the value of other financial assets during the financial year ended June 2013 arises from (a) the active management of the investment portfolio which reduced cash held with corresponding increase in interest bearing deposits and fixed interest securities and, (b) improved market performance which increased the value of the shares held at year end.

## Note 9: Inventories

Goods available for sale at cost <sup>(i)</sup>	1,204	1,325
Provision for stock obsolescence	(37)	(70)
	<b>1,167</b>	<b>1,255</b>
<sup>(i)</sup> Goods available for sale at balance date comprise the following:		
Equipment Solutions	820	865
Vistech	57	76
Other goods for sale	327	384
	<b>1,204</b>	<b>1,325</b>

## Note 10: Other current assets

Prepaid Rent	148	164
Prepaid Insurance	39	32
Prepaid IT services and support fees	398	215
Prepaid Fundraising campaign	351	-
Other prepayments	30	55
	<b>966</b>	<b>466</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

### Gross carrying amount

	2013 \$'000	2012 \$'000
Balance at beginning of financial year	1,989	3,940
Additions – transfer from freehold land and buildings	-	1,089
Disposals	-	(3,040)
Balance at end of financial year	1,989	1,989

### Accumulated depreciation and impairment

Balance at beginning of financial year	(8)	(312)
Net impairment losses charged to statement of profit or loss and other comprehensive income	(189)	-
Disposals	-	12
Transfer to investment property	-	(14)
Impairment reversed	-	306
Balance at end of financial year	(197)	(8)
<b>Net book value</b>	<b>1,792</b>	<b>1,981</b>

The Group intends to dispose of a number of freehold properties that have now been determined as surplus to requirements.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 12: Property, plant and equipment

	Land at cost \$'000	Buildings at cost \$'000	Furniture, plant and equipment at cost \$'000	Motor vehicles at cost \$'000	Computers at cost \$'000	Capital work in progress \$'000	Total \$'000
<b>Gross carrying amount</b>							
Balance at 30 June 2011	39,811	51,015	13,728	6,935	8,752	617	120,858
Classified as held for sale	(1,089)	-	-	-	-	-	(1,089)
Additions	-	2,985	789	73	109	1,044	5,000
Disposals	-	(293)	(204)	(526)	(853)	-	(1,876)
Balance at 30 June 2012	38,722	53,707	14,313	6,482	8,008	1,661	122,893
Additions	-	1,796	233	531	329	1,197	4,086
Transfer	3,023	(3,023)	-	-	-	-	-
Disposals	-	(72)	(1,181)	(921)	-	-	(2,174)
Balance at 30 June 2013	41,745	52,408	13,365	6,092	8,337	2,858	124,805
<b>Accumulated depreciation and impairment</b>							
Balance at 30 June 2011	-	(5,659)	(7,809)	(1,879)	(7,709)	-	(23,056)
Disposals	-	258	181	197	850	-	1,486
Net impairment losses charged to surplus/(loss) <sup>(i)</sup>	(753)	(244)	-	-	-	-	(997)
Depreciation expense	-	(1,342)	(2,027)	(942)	(483)	-	(4,794)
Balance at 30 June 2012	(753)	(6,987)	(9,655)	(2,624)	(7,342)	-	(27,361)
Disposals	-	72	1,084	466	-	-	1,622
Depreciation expense	-	(1,353)	(1,660)	(862)	(411)	-	(4,286)
Balance at 30 June 2013	(753)	(8,268)	(10,231)	(3,020)	(7,753)	-	(30,025)
<b>Net book value</b>							
As at 30 June 2012	37,969	46,720	4,658	3,858	666	1,661	95,532
As at 30 June 2013	40,992	44,140	3,134	3,072	584	2,858	94,780

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 13: Investment property

### Gross carrying amount

Balance at beginning of financial year

Transfers

Balance at end of financial year

### Accumulated depreciation and impairment

Balance at beginning of financial year

Depreciation expense

Impairment

Transfer from non-current assets held for sale

Balance at end of financial year

### Net book value

	2013 \$'000	2012 \$'000
Balance at beginning of financial year	783	789
Transfers	-	(6)
Balance at end of financial year	783	783
Balance at beginning of financial year	(126)	(39)
Depreciation expense	(5)	(5)
Impairment	-	(96)
Transfer from non-current assets held for sale	-	14
Balance at end of financial year	(131)	(126)
Net book value	652	657

## Note 14: Intangible assets

### Gross carrying amount

Balance at 30 June 2011

Additions

Disposals

Balance at 30 June 2012

Additions

Disposals

Balance at 30 June 2013

### Accumulated amortisation and impairment

Balance at 30 June 2011

Disposals amortisation

Net impairment losses released to surplus

Amortisation expense

Balance at 30 June 2012

Disposals amortisation

Net impairment losses released to surplus

Amortisation expense

Balance at 30 June 2013

### Net book value

As at 30 June 2012

As at 30 June 2013

	Audio Masters \$'000	Computer Software \$'000	Total \$'000
Balance at 30 June 2011	6,156	5,112	11,268
Additions	461	996	1,457
Disposals	(511)	(442)	(953)
Balance at 30 June 2012	6,106	5,666	11,772
Additions	437	155	592
Disposals	-	(19)	(19)
Balance at 30 June 2013	6,543	5,802	12,345
Balance at 30 June 2011	(4,008)	(3,815)	(7,823)
Disposals amortisation	449	442	891
Net impairment losses released to surplus	58	-	58
Amortisation expense	(998)	(817)	(1,815)
Balance at 30 June 2012	(4,499)	(4,190)	(8,689)
Disposals amortisation	-	7	7
Net impairment losses released to surplus	-	24	24
Amortisation expense	(834)	(884)	(1,718)
Balance at 30 June 2013	(5,333)	(5,043)	(10,376)
As at 30 June 2012	1,607	1,476	3,083
As at 30 June 2013	1,210	759	1,969

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Note 15: Trade and other payables</b>		
<b>Current</b>		
Trade payables <sup>(i)</sup>	928	661
Net goods and services tax payable	-	124
Other creditors and accrued expenses	6,353	6,182
	<b>7,281</b>	<b>6,967</b>
<b>Non-current</b>		
Payable to RPH Adelaide Inc (unsecured) <sup>(ii)</sup>	151	155
Endowment and scholarship funds	4	4
	<b>155</b>	<b>159</b>

<sup>(i)</sup> 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.

<sup>(ii)</sup> Vision Australia Limited merged its operations with RPH Adelaide Inc on 1 December 2011. Under the terms of the merger a debt to RPH Adelaide Inc was incurred for acquiring its assets and assumed liabilities. Interest of \$Nil (2012: \$3,000) was incurred for the year ended 30 June 2013 and is disclosed within finance costs. During the financial year, a liquidator was appointed to wind up RPH Adelaide. At the end of the financial year, a formal notification has yet to be issued by the liquidator.

## Note 16: Provisions

### Current

Annual leave	3,341	3,204
Long service leave	5,457	4,723
Other leave	187	201
Total current employee benefits <sup>(i)</sup>	<b>8,985</b>	<b>8,128</b>

### Non-current

Employee benefits – Long Service Leave	993	1,342
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<sup>(i)</sup> The current provision for employee benefits includes \$4,489,000 (2012: \$3,813,000) of vested long service leave entitlements accrued but not expected to be taken within 12 months.

## Note 17: Other current liabilities

Grant and other income received in advance	3,252	1,969
	<b>3,252</b>	<b>1,969</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## 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 6 (2012: 8) employees. Out of 8 employees at 30 June 2012, 2 employees retired during the financial year.

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 \$32,000 (2012: \$45,000) during the year which are recognised as an expense in the statement of profit or loss and other comprehensive income.

## Note 19: Reserves

### Asset Revaluation Reserve <sup>(i)</sup>

	2013 \$'000	2012 \$'000
Balance at beginning of financial year	586	2,401
Impairment loss on available for sale investments reclassified to statement of profit or loss and other comprehensive income	586	4,327
Impairment loss derecognised on disposal of available for sale investments	(4,522)	(7,765)
Mark to market revaluation increments on available for sale investments	8,003	1,623
Balance at end of financial year	4,653	586
General Reserve <sup>(ii)</sup>		
Balance at beginning of financial year	850	-
Transfer of endowment fund from retained earnings	-	850
Balance at end of financial year	850	850
Balance at end of financial year	5,503	1,436

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Note 20: Retained surplus</b>		
Balance at beginning of financial year	176,911	184,603
Net surplus/(deficit) attributable to members of the parent entity	2,431	(6,842)
Transfer of endowment fund to reserves	-	(850)
Balance at end of financial year	179,342	176,911

## Note 21: Contingent liabilities

a) Vision Australia Limited has an agreement with the Department of Housing (Victoria) regarding the funding contributed by the Department for the construction of Independent Living Units at Shepparton, Victoria. In the event that the agreement is terminated within the next eight years by Vision Australia Limited, there may be an obligation to repay an amount representing the amortised proportion of the market value of the property. The maximum amount at balance date for which Vision Australia Limited could potentially be liable is \$264,000 (2012: \$297,000).

b) At 30 June 2013 Vision Australia Limited had a bank guarantee relating to a leased property in Canberra of \$26,187 (2012: \$24,937).

c) A bank guarantee facility is available for leased properties as follows:

Amount used	52	52
Amount unused	48	48
	100	100

## Note 22: Commitments for expenditure

Capital expenditure commitments

### Property

Not longer than 1 year	3,294	-
	3,294	-

The amount disclosed above represented the value of committed contracts for building works scheduled to be completed in the subsequent financial year 30 June 2014.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

2013	2012
\$'000	\$'000

## Note 23: Leases

### Disclosures for lessees

Operating leases

#### Leasing arrangements

Operating leases relate to rental property and office equipment leases. Rental property lease contract 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:

Not longer than 1 year	1,495	1,232
Longer than 1 year and not longer than 5 years	1,398	1,525
Longer than 5 years	19	71
	<u>2,912</u>	<u>2,828</u>

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:

Not longer than 1 year	73	157
Longer than 1 year and not longer than 5 years	140	173
Longer than 5 years	300	333
	<u>513</u>	<u>663</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

2013	2012
\$'000	\$'000

## Note 24: 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:

Cash at bank	2,310	6,512
At call accounts	3,760	14,383
Cash and cash equivalents	6,070	20,895

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

Net surplus/(deficit) for the year	2,431	(6,842)
Depreciation	4,291	4,799
Amortisation	1,718	1,815
Impairment expense on available for sale investments	775	4,327
Impairment (reversal) / expense on non-current assets	(24)	729
(Gain)/loss on sale or disposal of assets	(5,536)	331
Non-cash bequest of shares	(16)	(634)
Increase in provision for employee benefits	507	199
Decrease in trade receivables and sundry debtors	46	425
Increase in other current assets	(499)	(27)
Decrease in inventories	88	65
Increase in trade payables and accruals	310	614
Increase in income in advance	1,283	1,127
Net cash provided by operating activities	5,374	6,928

### (c) Financing facilities available

Finance Lease Facility		
Amount used	-	-
Amount unused <sup>(i)</sup>	280	280
	280	280

Margin loan facility available through Vision Australia Foundation as trustee of Vision Australia Trust was closed during the financial year. Security for the loan was held over Vision Australia Trust's assets:

Amount used	-	-
Amount unused <sup>(i)</sup>	-	30,000
	-	30,000

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 25: Financial instruments

### 25.1 Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

As detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

	2013		2012	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6,070	6,070	20,895	20,895
Trade receivables	1,428	1,428	1,166	1,166
Other receivables	2,450	2,450	2,758	2,758
Interest bearing deposits	20,598	20,598	12,637	12,637
Shares	47,139	47,139	38,638	38,638
Managed trusts and funds	8,654	8,654	3,831	3,831
Fixed interest securities	17,847	17,847	14,013	14,013
	104,186	104,186	93,938	93,938
<b>Financial liabilities</b>				
Trade payables	928	928	661	661
Other payables	6,508	6,508	6,465	6,465
	7,436	7,436	7,126	7,126

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 25: Financial instruments (cont'd)

### 25.2 Categories of Financial Instruments

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

	2013 \$'000	2012 \$'000
Cash and cash equivalents	6,070	20,895
Trade and other receivables	3,878	3,924
Held to maturity investments	20,598	12,637
Available for Sale Financial Assets	73,640	56,482

## Note 26: 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, Chairman
- Mr Ron Hooton, Chief Executive Officer (appointed 22/01/13)
- Mr David Speyer, General Manager Corporate Services and Acting CEO to 21/01/2013
- Mr Michael Hansen, General Manager Organisational Development
- Ms Maryanne Diamond, General Manager International & Stakeholder Relations
- Ms Glenda Alexander, General Manager Independent Living Services
- Mr Leigh Garwood, General Manager Seeing Eye Dogs & Mobility
- Mr Stephen Crook, Acting General Manager Corporate Services (to 21/01/13)
- Ms Jan Chisholm, General Manager Fundraising

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

	2013 \$	2012 \$
Short term employee benefits	1,674,574	1,566,888
Post employment benefits	132,524	119,618
Other long term employee benefits	43,571	40,571
Termination benefits	-	630,324
	<u>1,850,669</u>	<u>2,357,401</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 26: Key management personnel remuneration and related party disclosures (cont'd)

### 26.1 Parent entity

The parent entity of the Group is Vision Australia Limited.

### 26.2 Ownership interest in related parties

Details and ownership interest held in subsidiaries are disclosed in Note 27 to the financial statements

### 26.3 Loan disclosures

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

### 26.4 Director transactions

Mr Paul Gleeson, a director of Vision Australia Limited, is a principal of the legal firm Russell Kennedy Pty Ltd, which provides legal services to the Group on a normal commercial basis. As such, he shares in any legal fees and disbursements which that firm receives from Vision Australia Limited. Legal fees and disbursements paid to Russell Kennedy Pty Ltd excluding GST during the financial year totalled \$93,000 (2012: \$172,000).

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.

## Note 27: Subsidiaries

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

Name of entity	Country of incorporation	Ownership interest	
		2013 %	2012 %
<b>Parent entity</b>			
Vision Australia Ltd	Australia		
<b>Subsidiaries</b>			
Vision Australia Foundation	Australia	100%	100%
Vision Australia Trust	Not incorporated	100%	100%
RVIB Foundation (Charitable Trust)	Not incorporated	100%	100%
Louis Braille Productions Ltd*	Australia	-	100%
Australian Blindness Services Pty Ltd*	Australia	-	100%

\* Subsidiary companies, Louis Braille Productions Ltd and Australian Blindness Services Pty Ltd were deregistered during the financial year. The subsidiaries were non-operating companies.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

2013	2012
\$'000	\$'000

## Note 28: 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.

### Deficit of the parent entity

Deficit for the year	(5,597)	(2,981)
Total comprehensive loss for the year	(5,085)	(3,073)

### Financial position of the parent entity

Current Assets	23,175	25,784
Total Assets	125,982	129,012
Current Liabilities	(19,268)	(16,859)
Total Liabilities	(20,412)	(18,357)
Net assets	105,570	110,655

### Total equity of the parent entity comprising of

Asset Revaluation Reserve	1,597	1,085
Retained Surplus	103,973	109,570
<b>Total equity attributable to Vision Australia Limited</b>	<b>105,570</b>	<b>110,655</b>

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

2013	2012
\$	\$

## Note 29: Remuneration of auditors

Audit of the financial report	85,000	82,500
Audit of grant and lottery returns	53,750	53,450
	138,750	135,950

The auditor of the Group is Deloitte Touche Tohmatsu.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## 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.

	2013 \$'000	2012 \$'000
Net surplus from fundraising appeals	13,507	12,619
Net surplus from bequests	12,749	13,684
Grant income	31,784	30,475
Investment income	5,958	6,526
Gain on sale of property, plant & equipment	5,536	415
Sales & fee income	7,461	7,392
Miscellaneous income	565	693
	<b>77,560</b>	<b>71,804</b>
<b>Applied to charitable purposes</b>		
Cost of client and library & information services	(63,422)	(66,371)
<b>Applied to organisation and management</b>		
Cost of corporate services	(8,062)	(5,652)
Cost of marketing services	(437)	(1,239)
Restructure redundancy costs	(2,457)	(328)
Impairment of available for sale investments	(586)	(4,327)
Impairment on non-current assets	(165)	(729)
	<b>(11,707)</b>	<b>(12,275)</b>
Net surplus/(deficit)	<b>2,431</b>	<b>(6,842)</b>

	2013 \$'000	2013 %	2012 \$'000	2012 %
Total cost of fundraising/ gross income from fundraising	13,226/ 26,734	49	11,383/ 24,002	47
Net surplus from fundraising/ gross income from fundraising	13,507/ 26,734	51	12,619/ 24,002	53
Total cost of services/total expenditure <sup>(i)</sup>	63,422/ 85,636	74	66,371/ 86,587	77
Total costs of services/total income received	63,422/ 85,738	74	66,371/ 84,062	79

<sup>(i)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

	2013 \$'000	2012 \$'000
<b>Fundraising income</b>	26,734	24,002
Less fundraising expenses:		
Salaries & wages	(2,118)	(2,205)
Telemarketing costs	(3,864)	(3,549)
Consulting fees	(24)	(70)
Face to face fundraising fees	(836)	-
Legal fees	(11)	(3)
Other fundraising expenses	(6,373)	(5,556)
	<b>(13,226)</b>	<b>(11,383)</b>
Net surplus from fundraising appeals	13,507	12,619
<b>Bequest Income</b>	13,237	14,227
Less bequest expenses:		
Salaries and Wages	(347)	(389)
Legal Fees	(2)	(16)
Other Bequest Expenses	(139)	(138)
	<b>(488)</b>	<b>(543)</b>
Net surplus from Bequests	12,749	13,684
Net surplus from fundraising appeals and bequests	26,256	26,303
<b>Note 32: Restructuring Costs</b>		
Termination Benefits	2,457	329
	<b>2,457</b>	<b>329</b>

## Note 33: Subsequent events

Since 30 June 2013 the launch sites for DisabilityCare Australia, that includes Newcastle and Geelong, became live and the change is significant in terms of offering a catalyst for change in the disability sector. It is not anticipated that this will have a material financial impact for financial year 2014.

In addition, on 15 July 2013 Vision Australia Limited received a notice from the Linking Melbourne Authority advising of the potential compulsory acquisition of the SEDA dog breeding site in Kensington.

Other than these items there has not been any matter or circumstance that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial statements, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

## Note 34: Acquisition of businesses

There were no acquisitions of business in the current financial year.

In 2012, Vision Australia Limited merged its operations with RPH Adelaide Inc on 1 December 2011. The cost of acquisition was funded by an interest bearing payable owing to RPH Adelaide Inc, of which the balance owing at year-end is \$151,000 (2012: \$155,000). Refer note 15.

Name of business from which assets & liabilities acquired	Principal activity	Date of acquisition	Proportion of shares acquired %	Cost of acquisition \$'000
<b>2012</b>				
RPH Adelaide Inc	Radio services for blind and print handicapped	1/12/2011	-	159
			Total book and fair value on acquisition \$'000	
Net assets acquired				
<b>Current assets</b>				
Trade & other receivables				71
<b>Non-current assets</b>				
Plant & equipment				178
Total assets				249
<b>Current liabilities</b>				
Trade & other payables				90
Total liabilities				90
Net assets acquired				159

The company does not measure the performance of the acquired operations independently as the operations of RPH Adelaide Inc was merged into the radio department of the company upon its acquisition. Therefore, it is not practical to quantify the impact of the performance of the acquired operations to the statement of profit or loss and other comprehensive income of the company. During the financial year a liquidator was appointed for RPH Adelaide Inc. and as at the end of the financial year, a formal notification has yet to be issued by the liquidator that the association has been formally wound up.

# 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 Corporations Act 2001, 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 s295 (5) of the Corporations Act 2001.

On behalf of the Directors



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Kevin F Murfitt  
Director

29 August 2013



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Paul G Gleeson  
Director

29 August 2013

# EXECUTIVES' DECLARATION

The Chief Executive Officer and the Acting General Manager Corporate Services 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 Corporations Act 2001 and in compliance with the Charitable Fundraising Act, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.



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Ron Hooton  
Chief Executive Officer

29 August 2013



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Stephen Crook (CA, ACSA)  
Acting General Manager Corporate Services

29 August 2013

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

29 August 2013

Dear Board Members,

### **Vision Australia Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Vision Australia Ltd.

As lead audit partner for the audit of the financial statements of Vision Australia Ltd for the financial year ended 30 June 2013, I declare to the best of my knowledge and belief that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 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

## 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 2013, 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 22 to 59. In addition, we have audited Vision Australia Limited's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2013.

### *Directors' Responsibility for the Financial Report and Compliance with the Charitable Fundraising Act 1991*

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 *Corporations Act 2001* and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* 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 Act 1991* 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 Act 1991* 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 Act 1991* 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 Act 1991* 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 Act 1991* 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.

## *Inherent Limitations*

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* 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 Act 1991* 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 Act 1991* 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.

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Vision Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## *Opinion*

In our opinion:

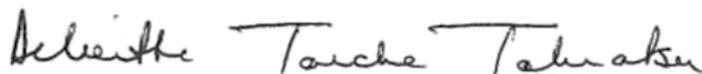
(a) the financial report of Vision Australia Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*;

(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 Act 1991* and its regulations for the year ended 30 June 2013; and

(c) monies received by Vision Australia Limited, as a result of fundraising appeals conducted during the year ended 30 June 2013, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie

Partner

Chartered Accountants

Melbourne, 29 August 2013

# MAJOR SUPPORTERS

## BEQUESTS – \$10,000 or more

Estate of the Late Carmel Alderman

Estate of the Late Helen Anderson

Estate of the Late Joan Atkinson

Estate of the Late Joan Baker

Estate of the Late Nola Baker

Estate of the Late Allen Baldick

Estate of the Late Helene Barton

Estate of the Late Niobe Belletty

Estate of the Late Irmgard Bergmanis

Estate of the Late Mirdza Birkmanis

Estate of the Late Joy Bolton

Estate of the Late Katherine Booth

Estate of the Late Robert Bracher

Estate of the Late Christine Brinsley

Estate of the Late Tatiana Buks

Estate of the Late Selma Burne

Estate of the Late Jeffrey Carter

Estate of the Late Rex Cederblad

Estate of the Late Charles Clancy

Estate of the Late Janette Cohen

Estate of the Late Russell Cohen

Estate of the Late Rosemary Conn

Estate of the Late Mary Curteis

Estate of the Late Richard Dawson

Estate of the Late Maria De Cowen

Estate of the Late Audrey Delandro

Estate of the Late Ethel Dent

Estate of the Late Peter Dent

Estate of the Late Beatrice Drury

Estate of the Late Marta Dzierlega

Estate of the Late Laurel Fairall

Estate of the Late Elizabeth Farrell

Estate of the Late Audery Ferguson

Estate of the Late Marjorie Frame

Estate of the Late Grace Fraser

Estate of the Late Helen Gadsden

Estate of the Late Ellis Goldsbury

Estate of the Late Dorothy Greening

Estate of the Late Melville Hampson

Estate of the Late Alexander Hanton

Estate of the Late Florence Hargreaves

Estate of the Late Anne Harrison

Estate of the Late Diana Harrison

Estate of the Late Dulcie Hawkins

Estate of the Late Edna Hazlewood

Estate of the Late Bernice Head

Estate of the Late Maxine Hosking

Estate of the Late Peter Hughes

Estate of the Late George Humphrey

Estate of the Late Herta Jarvis

Estate of the Late Patricia Johnson

Estate of the Late Robert King

Estate of the Late Leila Lanyon

Estate of the Late Marjorie Launder

Estate of the Late Valerie Lee

Estate of the Late Eileen Lewis

Estate of the Late Betty Lohrere

Estate of the Late Gilda Luther

Estate of the Late Ailsa Lutton

Estate of the Late Joan MacKenzie

Estate of the Late Nora Mailfert

Estate of the Late Harry Malkin

Estate of the Late Mary Marshall

Estate of the Late Robert McDiarmid

Estate of the Late Joan McMahan

Estate of the Late Brian McNamara

Estate of the Late Edwin Moon

Estate of the Late Peggy O'Dowd

Estate of the Late Eric Olsen

Estate of the Late Veronica Olsen

Estate of the Late Edna Olson

Estate of the Late June Onorato

Estate of the Late William Patching

Estate of the Late Dulcie Penfold

Estate of the Late Miriam Philipp

Estate of the Late Ivy Pollock

Estate of the Late Douglas Porter

Estate of the Late Muriel Ramsay

Estate of the Late Anne Raymond

Estate of the Late Josephine Rose

Estate of the Late Dawn Roughley

Estate of the Late Gwendoline Rychter

## **BEQUESTS – \$10,000 or more (cont'd)**

Estate of the Late Zena Sachs  
Estate of the Late Lorrie Shaw  
Estate of the Late Barbara Shearer  
Estate of the Late Jean Mary Swanson  
Estate of the Late Beryl Thompson  
Estate of the Late Violet Tilson  
Estate of the Late Joycelyn Tomkin  
Estate of the Late Margaret Towl  
Estate of the Late Bryan Town  
Estate of the Late Donald Trennery

Estate of the Late John Turnbull  
Estate of the Late William Turner  
Estate of the Late Louis Vermesy  
Estate of the Late Edward Watkins  
Estate of the Late George Watson  
Estate of the Late Agnes Watt  
Estate of the Late Emily Welch  
Estate of the Late Agnes Wilson  
Estate of the Late Clifton Wyatt

## **BUSINESSES – \$10,000 or more**

BMW Sydney Pty Ltd  
Eftpos Payments Australia Limited  
Fiat Chrysler Group Australia  
Inghams Enterprises Pty Limited  
Myer Community Fund

Myer  
Security Portman Pty Limited  
T Rainsford Pty Ltd  
Thomas Hare Investments Ltd  
Victoria Racing Club Limited

## **FUNDRAISING COMMITTEES AND AUXILIARIES**

Barwon Heads Friends of Vision Australia  
Boort Friends of Vision Australia  
Cohuna Friends of Vision Australia  
Coleraine Friends of Vision Australia  
Cooma Friends of Vision Australia  
Cressy Friends of Vision Australia  
Donald Friends of Vision Australia  
Double Bay Black and White Committee of Vision Australia  
Dubbo Black and White Committee of Vision Australia  
Euroa Friends of Vision Australia  
Gisborne Friends of Vision Australia  
Glenthompson Friends of Vision Australia  
Griffith Friends of Vision Australia  
Hamilton Friends of Vision Australia  
Illawarra Black and White Committee of Vision Australia  
International Committee of Vision Australia  
Kaniva Friends of Vision Australia  
Kerang Friends of Vision Australia  
Kiama and District Friends of Vision Australia  
Kyneton Friends of Vision Australia

Leongatha Rose Show Committee  
Lismore Friends of Vision Australia  
Maitland Black and White Committee of Vision Australia  
Mentone/Mordialloc Friends of Vision Australia  
Mudgee Black and White Committee of Vision Australia  
Nhill Friends of Vision Australia  
Orange Town and Country Black and White Committee of Vision Australia  
Rainbow Friends of Vision Australia  
Sea Lake Friends of Vision Australia  
Skipton Friends of Vision Australia  
Swan Hill Friends of Vision Australia  
Taree and District Friends of Vision Australia  
Temora Friends of Vision Australia  
Terang Friends of Vision Australia  
Wangaratta Friends of Vision Australia  
Whoorel Friends of Vision Australia  
Willaura Friends of Vision Australia  
Yarrowonga Friends of Vision Australia  
Yass Friends of Vision Australia

## INDIVIDUALS – \$10,000 or more

Mrs H V Angliss

Mrs J Barton

Mrs M Duncan

Miss J Farrell

Mr J Guglielmini

Mr O K Hansen

Ms S Kennard

Mrs L Mead

Mr H V Moore

Mr P Okkerse

Mr I A Paul

Mr Max Schroder

Miss J Sheridan

Mrs J F M Smith

Mr K Thornton

Miss S W Woodcock

Mrs R Yabsley

## REGISTERED CLUBS AND COMMUNITY GROUPS – \$10,000 or more

Cabra-Vale Ex-Servicemans Club

Canterbury Hurlstone Park RSL

Auburn RSL Club Co-op Ltd

Dee Why RSL Club Limited

Sydney Baseball Lions Club Inc

Parramatta Leagues Club

## TRUSTS AND FOUNDATIONS – \$10,000 or more

Allen and Cecilia Tye Fund

Amy Irene Christina Ostberg Estate

Arthur Leonard Raper Charitable Trust

Australian Communities Foundation

Bell Charitable Fund

Bill & Jean Henson Trust

Cecilia Kilkeary Foundation

Clifford Abbott Davidson Charitable Trust

David Allen Trust

David Taylor Galt Estate

E C Blackwood Charitable Trust

Elizabeth McCartney Trust

Eric Crawford Memorial Fund

Estate of Amy Elizabeth Bayne

Estate of E W Vicars-Foote

Estate of the Late Edith Jean Elizabeth Beggs

Estate of the Late Frederick Banbury

Estate of the Late Georgena Bradshaw

Estate of the Late Jane Williamson

Estate of the Late John Frederick Wright

Estate of the Late Kenneth Martin

Estate of the Late Maurice Awad Neirous

Estate of the Late Thomas James

Malcolmson & Winifred Gleeson

Estate of the Late Walter Snelling

Estate of the Late William Fernie

Florance Hattersley Trust

Frank & Sybil Richardson Charitable Trust

Frederick Shepherd Trust

FRRR and The McEwen Foundation

Gambling Community Benefit Fund

Georgina Menzies Maconachie Charitable Trust

Give Where You Live

Henry James Francis Estate

Ian McLeod & Madge Duncan Perpetual Charitable Trust

J O & J R Wicking Trust

James N Kirby Foundation

Janet Calder MacKenzie Charitable Trust

Joseph Herman Charitable Trust

K & C H Hume-Cook Charitable Trust

Kel & Rosie Day Foundation

Lady Proud Foundation

Leslie Francis Gill Trust

Lionel R V Spencer Fund

Lola Poynton Memorial Fund

Marjorie Scott Trust

Marrich Charitable Foundation

May & Stanley Charitable Trust

Ms Lily Maude Payne Charitable Trust

Oscar William Eschenhagen Edwards Trust

## TRUSTS AND FOUNDATIONS – \$10,000 or more (cont'd)

Paul Finlay Foundation  
Philandron Foundation  
Pierce Armstrong Trust  
Russell McKimmin Charitable Trust  
Russell Vontom Charitable Trust  
Skipper-Jacobs Charitable Trust  
State Trustees Australia Foundation - Judith De Garrood Donation  
Sydney Community Foundation  
Sylvia and Charles Viertel Charitable Foundation  
The Benjamin Slome Charitable Foundation  
The Dorothy Levien Foundation  
The Edith Kemp Memorial Trust Fund  
The Hardie Family Bequest  
The Hennessy Trust

The Howard Glover Perpetual Charitable Trust  
The John Villiers Trust  
The Kemvan Trust  
The Marian & E.H. Flack Trust  
The Muffin Foundation  
The Orloff Family Charitable Trust  
The Profield Foundation  
The Souter-Foale Family Trust  
The William Mansel Higgins & Dorothy Higgins Charitable Trust  
The Wood Foundation  
Urquhart Charitable Fund  
Vision Australia Trust  
William and Eileen Walsh Trust  
William Andrew Bon Charitable Trust

## GOVERNMENT FUNDING – \$10,000 or more

### Federal

Department of Education, Employment and Workplace Relations  
Department of Broadband, Communications and the Digital Economy  
Department of Health and Ageing  
Department of Veterans' Affairs  
Department of Family, Housing, Community Services & Indigenous Affairs

### Australian Capital Territory

Community Services Directorate

### New South Wales

Ageing, Disability and Home Care,  
Department of Family and Community Services  
Department of Education and Communities  
Department of Health NSW Sydney Local Health District

### Northern Territory

Department of Education and Children's Services

### Queensland

Department of Communities, Child Safety and Disability Services  
Department of Education, Training and Employment

### Tasmania

Department of Education

### Victoria

Department of Education and Early Childhood Development  
Department of Health  
Department of Human Services

### Local Government

Boroondara City Council  
City of Melbourne



# FAST FACTS

Vision Australia's professional staff and volunteers worked closely with clients, supporters and other stakeholders to achieve great things over the past year – here are a few quick highlights...

10

The **Feelix Library** is ten years old. Feelix kits prepare preschool children who are blind for the concept of braille and literacy. Each Feelix kit contains a storybook annotated with braille, an audio CD or DAISY recording of the story, some tactile aids relating to the story to help the child imagine the story and a little handbook with tactile graphics so the child can tell the story to themselves or others.

231

Vision Australia estimates that 231 days of solid driving have been saved so far by the new **VidKids™** program, which provides improved services to children with vision and/or hearing impairment in outer regional and remote Australia. Families and children connect with allied health professionals using videoconferencing for on-going support of each child and their family's specific needs.

134

Vision Australia **Employment Services** achieved 134 job placements this year in a large variety of industries and roles including office, manual work, hospitality and management, health and community services, education, retail and IT. We have recently partnered with CRS Australia, which has offices across the country, to greatly broaden our employment services.

27

Vision Australia's **Equipment Solutions** shops are available at 27 sites and online and offer a wide range of products and technology to assist people who are blind or have low vision to remain independent. There are solutions for everything from not overfilling a cup to reading mail, accessing computers and even telling what colour a clothing item is, and helpful staff who can advise on each product.



This year 2,476 members of Vision Australia's Information Library Service used our online catalogue, a 44.5% increase from the previous year and an important development in our 18,000 plus membership of mainly older readers. We have 27,178 audio titles and 14,021 braille titles in books, magazines and newspapers and add more titles each year.



Last year Vision Australia provided 1167 mobility canes free of charge. An **orientation and mobility** specialist assesses the needs of each person and the environments where they will be using the cane, then trains them in the safe use of the cane. Cane types include an identification (white) cane, a support cane and a long cane, which helps detect all obstacles and hazards within the path of travel.



It takes 18 months and costs \$30,000 to train a **Seeing Eye Dog**. Each dog is carefully matched with a suitable recipient, taking into account the dog's natural walking speed and the client's lifestyle. They both then receive another two to three weeks residential training at Vision Australia's special facilities and a further one to two weeks in the client's home area. Phone support is always available.



More than 70% of **Vision Australia clients** are 65 years or older, which means they are not eligible for the National Disability Insurance Scheme funding, yet many don't experience vision loss until after 65. Older clients may also have other health-related issues and are more likely to be at risk for falls and other accidents so it is critical that they receive support and assistance as soon as vision loss is identified.



Last year Vision Australia received 205 **bequests** as a result of our services being named in someone's will. While the decision to remember Vision Australia may have been taken recently or long ago, that decision to help others into the future allows us to continue our services. We thank every one of these wonderful donors and their families for the generosity of spirit their legacy demonstrates.



“I used to be a pastry chef but as my eyesight got progressively worse I had to end my career. With the assistance of Vision Australia I learned how to use a computer with special software that speaks and to touch type so I could get an office job and provide for my family again.”

Rolf Geerlings, Vision Australia.



**vision  
australia**

blindness and low vision services