





## Vision Australia Limited and controlled entities

### Directors' Report

The Directors of Vision Australia Limited (the Company) submit herewith the annual report of the Company and its controlled entities (the Vision Australia consolidated entity) for the financial year ended 30 June 2020.

#### 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>
Andrew Moffat, BCom, LLB Chair	Accredited Mediator, Senior Fellow – University of Melbourne	<ul style="list-style-type: none"> <li>• Audit, Finance and Risk Committee</li> <li>• Vision Australia Foundation Board</li> <li>• People and Culture Committee</li> <li>• Client Services Committee</li> </ul>
Bill Jolley, BA Hons (Mathematical Statistics), MAICD, Dip. Bus. (Gov.), FICDA Deputy Chair	Retired Public Servant	<ul style="list-style-type: none"> <li>• Client Services Committee</li> <li>• Audit, Finance and Risk Committee</li> <li>• Vision Australia Foundation Board (from 01/04/20)</li> </ul>
Cameron Roles, BA, LLB, LLM	Senior Lecturer, ANU College of Law	<ul style="list-style-type: none"> <li>• People and Culture Committee</li> <li>• Audit, Finance and Risk Committee</li> </ul>
Caroline Waldron, LLB (Hons) London, FCIS, GAICD	Senior Professional with legal and commercial experience in technology, infrastructure, retail, healthcare and professional services sectors	<ul style="list-style-type: none"> <li>• People and Culture Committee (Chair)</li> </ul>
Darren Fittler, BSW (Bachelor of Social Work), LLB	Partner, Gilbert + Tobin Lawyers	<ul style="list-style-type: none"> <li>• People and Culture Committee</li> <li>• Client Services Committee</li> </ul>
Heith Mackay-Cruise, BEc, FAICD	Company Director	<ul style="list-style-type: none"> <li>• Vision Australia Foundation Board (Chair until 01/04/20 and Director until 03/06/20)</li> <li>• Audit, Finance and Risk Committee (from 27/02/19 until 01/04/20)</li> </ul>
Sara Watts, BSc, MBA, FCPA, FAICD	Company Director	<ul style="list-style-type: none"> <li>• Audit, Finance and Risk Committee (Chair)</li> <li>• Vision Australia Foundation Board</li> </ul>
Professor Sharon Bentley, PhD, MOptom BScOptom, MPH, CertOcTher, GAICD, CF, FACO, FAAO(DipLV)	Head, School of Optometry and Vision Science Queensland University of Technology	<ul style="list-style-type: none"> <li>• Client Services Committee</li> <li>• People and Culture Committee</li> </ul>
Stephen O'Brien, MA (Greats), MBA	Senior Professional specialising in strategy and business change for service sector organisations	<ul style="list-style-type: none"> <li>• Client Services Committee (Chair)</li> </ul>
Associate Professor Julian Rait, MBBS (Melb), FRACS, FRANZCO, FAICD	Practising Ophthalmologist	<ul style="list-style-type: none"> <li>• Client Services Committee (from 11/12/2019)</li> </ul>

## Vision Australia Limited and controlled entities

### Directors' Report

#### 2. Company Secretary

Justine Heath (appointed 18/12/2019)

Kevin Roadnight (appointed 02/11/2018 until 29/10/2019)

Melanie Leydin (appointed 14/11/2019 until 18/12/2019)

#### 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 eight Board meetings, six Audit, Finance and Risk Committee meetings, four Client Service Committee meetings, four People and Culture Committee meetings and six Vision Australia Foundation (VAF) Board meetings.

	Date Appointed	Board		Audit, Finance and Risk Committee		Client Services Committee		People and Culture Committee		VAF Board	
		M	A	M	A	M	A	M	A	M	A
Andrew Moffat (Chair)	26 Aug 11	8	8	6	6	4	4	4	4	6	6
Bill Jolley	01 Jul 14	8	8	6	6	4	4			2	2
Sara Watts	08 Nov 13	8	8	6	6					6	6
Heith Mackay-Cruise	08 Nov 13	2	2	5	5					6	6
Caroline Waldron	08 Nov 13	8	8					4	3		
Cameron Roles	29 Oct 15	8	8	6	4			4	3		
Sharon Bentley	06 May 15	8	8			4	4	4	4		
Darren Fittler	26 Oct 16	8	8			4	3	4	3		
Stephen O'Brien	26 Oct 16	8	8			4	4				
Julian Rait	24 Oct 19	6	6				2	2			

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

**A - Number of meetings attended.**

#### 4. Corporate governance

The Board supports the corporate governance principles and recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council and has prepared these general purpose financial statements in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards - Reduced Disclosure Requirements. Vision Australia Limited is not a listed company and has no obligation to adopt the ASX principles, however it has applied the principles insofar as it is sensible and realistic to do so in the context of a large, not-for-profit organisation and with due regard to the scope of its operations and level of client, donor, and other stakeholder interest. In fiscal year 2020, the ASX Principles have been applied in the following ways:

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.1 Foundations for management and oversight**

The role of the Board is to direct the activities of Vision Australia Limited and set the strategy towards ensuring the achievement of its vision, mission and objectives. The Board operates under a charter that details its functions and responsibilities and can be viewed on the Vision Australia website at <https://www.visionaustralia.org/about-us/governance>.

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

- Protecting the rights and interests of members of Vision Australia and being accountable to them for the overall management of the Company;
- Setting the strategic direction of the Company;
- Determining the organisation's culture through values, establishing high ethical standards, and living the culture, values and standards in all of the Board's actions;
- Reviewing Company progress and appraising management's performance against the strategy, policies, business plan and budget;
- Appointment of a Chair, Deputy-Chair(s);
- Setting corporate governance principles and policies;
- Establishing delegations of authority that permit the CEO to manage the company;
- Considering and deciding on any matters outside the delegations of the CEO;
- Establishing Board committees, their membership, Chair and delegated authorities and approving their charters; and
- Monitoring compliance with all legal and regulatory obligations.

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 document sets out staff decision making responsibilities and appropriate financial and contractual thresholds. Annual reviews are conducted on the appropriateness of the delegated authorities, and any material breaches are reported to the Board.

The Board regularly reviews its charter and performance.

#### **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 nine Directors. There are nine Directors at 30 June 2020.

At each annual general meeting one-third of the Directors including any other Director who has held office for three years or more since last being elected, must retire from office. They are eligible for re-election subject to the maximum tenure of nine years with the exception of the Chair who has a maximum tenure of twelve years. The Board's policies relating to tenure and Director appointment are contained in the Board Charter which can be viewed on the Vision Australia website at: <https://www.visionaustralia.org/about-us/governance>.

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 is remunerated in accordance with the Constitution.

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

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

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

As a for-purpose organisation, Vision Australia has a responsibility to all our stakeholders to ensure we maintain the highest standards of professionalism, excellence in service delivery, a positive and safe environment to work and demonstrate behaviours that are consistent with Vision Australia's values. Vision Australia has a Charter of Professional Behaviours that defines the standards of behaviours which we expect from all those who are associated with Vision Australia. We aim to demonstrate the highest level of professionalism to reflect our commitment to the Vision Australia community.

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

Vision Australia Limited has policies and procedures in place including a protected disclosure policy ensuring that any form of discrimination, harassment, bullying or occupational violence is dealt with appropriately.

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

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

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

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

- 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 access to 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, the Client Reference Group liaises with Vision Australia's Directors and, at the request of the Board, advises on general matters of service delivery and other important blindness and vision related matters.

The Client Reference Group members share their knowledge and / or lived experience of matters related to their portfolios. The individual group members provide advice and feedback regarding Vision Australia's program initiatives. They may identify issues related to their portfolios upon which Vision Australia may seek further community opinion (through the Client Engagement team). They also may provide new ideas arising from their contacts and expertise.

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.6 Respecting rights of members (Cont'd)**

Client Reference Group members are able to analyse and consider reports and papers provided by Vision Australia. Group members are also able to inform Vision Australia of the concerns and interests of the blindness and low vision community. The Group usually meets with Vision Australia's Board of Directors twice a year, and with the Board Chair and Client Services Committee Chair at least twice a year by teleconference.

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

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

The Board is responsible for ensuring the adequacy of Vision Australia Limited's risk management and is assisted in doing this by the Audit, Finance and Risk Committee. This includes ensuring the establishment, implementation and annual review of Vision Australia Limited's risk management systems, ensuring that they are designed to protect the Company's reputation and manage key business, strategic and financial risks which could prevent Vision Australia Limited from achieving its objectives.

The Audit, Finance and Risk Committee reviews the Strategic Risk Framework, the Business Continuity Plan and the Disaster Recovery Plan on a regular basis and satisfies itself that management has appropriate systems in place for managing risk and maintaining internal controls. The Audit, Finance and Risk Committee also assesses whether risks assigned by the Board to other Board committees are being appropriately managed and reported to the Board.

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 review and report key business, strategic and financial risks.

#### **4.8 Remunerating responsibly**

The People & Culture Committee provides governance and oversight in review of the remuneration policy of the Company.

The 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 1.4 of the Constitution. Reimbursement is made to Directors for reasonable expenses directly related to Board activities such as travel, accommodation and meals.

Staff remuneration is set through a combination of performance, relativity and value of salary based on independent benchmark for the sector. The remuneration is indexed and closely aligned to the roles with annual review to reflect current market conditions. All UEA staff are covered by the remuneration ranges in the enterprise agreement with annual wage increases determined by the Fair Work Commission Annual Wage Review and Equal Remuneration Order processes.

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.9 Committees**

To assist the Board in fulfilling its duties it has established three committees:

- Audit, Finance and Risk Committee
- Client Services Committee
- People and Culture Committee

Each committee has a formal charter which is regularly reviewed to ensure it remains consistent with the Board's objectives and responsibilities. With the exception of certain limited delegations contained in their charters, recommendations of the committees are to be referred to the Board for approval.

In addition to the committees listed above, Vision Australia is the sole beneficial owner of the assets of the Vision Australia Trust. The Vision Australia Foundation is the Trustee of the Trust and operates pursuant to the Trust Deed and a Charter established by Vision Australia for the conduct of the Trustee.

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

#### **Audit, Finance and Risk Committee**

The purpose of the Audit, Finance and Risk Committee is to provide oversight of:

- a) The integrity of the Company's financial statements, financial reporting processes and financial management;
- b) The Company's compliance with legal and regulatory requirements;
- c) The performance of the Company's internal and external audit functions and;
- d) The Company's attitude to, and management of, risk.

The role of the Committee is to:

- Provide strategic financial, business and commercial advice to management;
- Assess the quality and accuracy of the Company's financial statements and financial reporting;
- Evaluate the adequacy of the Company's financial controls and systems;
- Oversee the Company's discharge of its responsibilities with respect to:
  - the financial statements, financial report and annual report;
  - legal/regulatory compliance;
  - protection of capital;
  - business policies and practices; and
  - risk management systems;
- Oversee the Company's relationship with the external and internal auditors;
- Oversee the Company's risk management processes and procedures; and
- Ensure an ethical culture has been embedded throughout the Company.

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

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

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.9 Committees (Cont'd)**

##### **Audit, Finance and Risk Committee (Cont'd)**

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

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

The Audit, Finance and 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 Risk Committee Charter can be viewed on the Vision Australia website at <https://www.visionaustralia.org/about-us/governance>.

Committee members during and throughout the year were:

- Sara Watts (Chair)
- Andrew Moffat
- Sam Loble (Co-opted member)
- Cameron Roles
- Bill Jolley
- Sue Banks (Co-opted member appointed 11/12/2019)
- John Paterson (Co-opted member appointed 11/12/2019)
- Michael Gordon (appointed 01/04/2020)
- Heith Mackay-Cruise (until 01/04/2020)

##### **Client Services Committee**

The purpose of the Client Services Committee is to provide governance oversight of the services provided to clients of Vision Australia, acting on delegation from the Vision Australia Limited Board.

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

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

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.9 Committees (Cont'd)**

##### **Client Services Committee (Cont'd)**

The main functions of the Committee include:

- overseeing strategies and plans for quality improvement, clinical governance, evaluating client and volunteer participation and client based research activities;
- receiving and reviewing, by exception, all audits or reviews pertaining to service delivery, quality and clinical governance and monitoring management responses;
- receiving and reviewing reports on the management of complaints, outcome measures, client satisfaction results and monitoring management responses; and
- reporting to the Board on the matters listed above.

The Client Services Committee charter can be viewed on the Vision Australia website at <https://www.visionaustralia.org/about-us/governance>.

Committee members during and throughout the year were:

- Stephen O'Brien (Chair)
- Professor Sharon Bentley
- Bill Jolley
- Andrew Moffat
- Darren Fittler
- Associate Professor Julian Rait (appointed 11/12/2019)

##### **People and Culture Committee**

The purpose of the People & Culture Committee is to provide governance oversight of the human resource management and culture of Vision Australia, acting on delegation from the Vision Australia Board.

The role of the Committee is to provide governance, oversight of and advice and guidance to management regarding:

- Human resources strategy, policies and practices to:
  - make the best use of the volunteer and staff resources employed;
  - promote an inclusive workplace and organisational culture that is consistent with the organisation's mission to "support people who are blind or have low vision to live the life they choose";
  - enable clients, volunteers, staff, contractors and members of the general public to be safe in all workplaces; and
  - comply with all relevant legal requirements; and
- Remuneration policies and practices and succession planning which enables the attraction and retention of executive leaders.

The People and Culture Committee charter can be viewed on the Vision Australia website at <https://www.visionaustralia.org/about-us/governance>.

Committee members during and throughout the year were:

- Caroline Waldron (Chair)
- Andrew Moffat
- Cameron Roles
- Darren Fittler
- Professor Sharon Bentley

## **Vision Australia Limited and controlled entities**

### **Directors' Report**

#### **4.9 Committees (Cont'd)**

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

The Vision Australia Foundation (the Foundation) is the Trustee of the Vision Australia Trust (the Trust) and is responsible for managing and administering the Trust in accordance with the Vision Australia Trust Deed and all applicable laws.

In acting as Trustee of the Trust in accordance with the Trust Deed, the Foundation:

- oversees the management of the assets of the Trust in keeping with the objectives of the Trust and the powers set out in the Trust Deed;
- monitors the composition and performance of the Trust's investment portfolio including the performance of the investment managers managing the fund;
- monitors the composition and performance of the Trust owned property assets including oversight of Vision Australia Limited's property services management and/or the performance of any property managers managing the property assets; and
- distributes the Trust's income to Vision Australia Limited or retains it (as per clause 5.2 of the Trust Deed).

The Charter of the Vision Australia Foundation as Trustee of the Vision Australia Trust can be found on the Vision Australia website at: <https://www.visionaustralia.org/about-us/governance>.

Directors of the Foundation during and throughout the year were:

- Michael Gordon – (appointed 01/09/2019 and Chair from 01/04/2020)
- Heith Mackay Cruise – (retired 03/06/2020, Chair until 01/04/2020)
- Sara Watts
- Andrew Moffat
- Nick Anagnostou
- Nicki Ashton
- Ron Hooton
- Bill Jolley (appointed 01/04/2020)

Company Secretary of the Foundation during the year was:

- Justine Heath (appointed 18/12/2019)
- Kevin Roadnight (appointed 02/11/2018 until 29/10/2019)
- Melanie Leydin (appointed 14/11/2019 until 18/12/2019)

#### **5. Principal Activities**

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







## Vision Australia Limited and controlled entities

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## Vision Australia Limited and controlled entities

### Consolidated statement of financial position as at 30 June 2020

	Note	2020 \$'000	2019* \$'000
<b>Current assets</b>			
Cash and cash equivalents	4.2	34,817	16,643
Trade and other receivables	3.1	4,975	4,922
Other financial assets	3.2	5,847	1,160
Inventories	3.3	3,165	2,724
Prepayments		1,617	1,224
Assets held for sale	3.4	-	13,932
<b>Total current assets</b>		<b>50,421</b>	<b>40,605</b>
<b>Non-current assets</b>			
Trade and other receivables	3.1	6	8
Other financial assets	3.2	143,172	131,824
Property, plant and equipment	3.5	73,797	75,185
Intangible assets	3.6	6,658	6,737
Right-of-use assets	4.5.1	5,135	-
<b>Total non-current assets</b>		<b>228,768</b>	<b>213,754</b>
<b>Total assets</b>		<b>279,189</b>	<b>254,359</b>
<b>Current liabilities</b>			
Trade and other payables	4.1	6,559	10,377
Provisions	5.1	7,303	7,467
Contract liabilities		6,458	7,313
Lease liabilities	4.5.2	1,878	-
<b>Total current liabilities</b>		<b>22,198</b>	<b>25,157</b>
<b>Non-current liabilities</b>			
Trade and other payables	4.1	3	3
Provisions	5.1	1,844	1,663
Lease liabilities	4.5.2	3,430	-
<b>Total non-current liabilities</b>		<b>5,277</b>	<b>1,666</b>
<b>Total liabilities</b>		<b>27,475</b>	<b>26,823</b>
<b>Net assets</b>		<b>251,714</b>	<b>227,536</b>
<b>Equity</b>			
Retained surplus		240,916	209,150
Reserves		10,798	18,386
<b>Total equity</b>		<b>251,714</b>	<b>227,536</b>

\* - The Group has initially applied AASB 16, AASB 15 and AASB 1058 at 1 July 2019. Under the transition method chosen, comparative information has not been restated. Refer to Note 6.6.

The accompanying notes form part of these financial statements.

## Vision Australia Limited and controlled entities

### Consolidated statement of changes in equity for the year ended 30 June 2020

	Retained Surplus	General Reserve	Asset Revaluation Reserve	Total*
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2018</b>	215,871	3,947	9,291	229,109
Realised gain on equity investments and change in fair value of financial assets	-	-	6,392	6,392
Transfers to retained surplus	1,244	-	(1,244)	-
Other comprehensive income	1,244	-	5,148	6,392
Deficit for the year	(7,965)	-	-	(7,965)
Total comprehensive loss for the year	(6,721)	-	5,148	(1,573)
<b>Balance at 30 June 2019</b>	<b>209,150</b>	<b>3,947</b>	<b>14,439</b>	<b>227,536</b>
<b>Balance at 1 July 2019</b>	209,150	3,947	14,439	227,536
Realised loss on equity investments and change in fair value of financial assets	-	-	(4,089)	(4,089)
Transfers to retained surplus	3,499	-	(3,499)	-
Other comprehensive loss	3,499	-	(7,588)	(4,089)
Surplus for the year	28,267	-	-	28,267
Total comprehensive income for the year	31,766	-	(7,588)	24,178
<b>Balance at 30 June 2020</b>	<b>240,916</b>	<b>3,947</b>	<b>6,851</b>	<b>251,714</b>

\* - The Group has initially applied AASB 16, AASB 15 and AASB 1058 at 1 July 2019. Under the transition method chosen, comparative information has not been restated. Refer to Note 6.6.

The accompanying notes form part of these financial statements

## Vision Australia Limited and controlled entities

### Consolidated statement of cash flows for the year ended 30 June 2020

	Note	2020 \$'000	2019* \$'000
<b>Cash flows from operating activities</b>			
Cash receipts from operations		122,255	107,989
Interest received		467	477
Dividends received		4,786	5,961
Payments to suppliers and employees		(115,256)	(121,974)
Bank charges		(375)	(346)
<b>Net cash from/ (used in) operating activities</b>		<b>11,877</b>	<b>(7,893)</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment	3.5	(2,398)	(5,058)
Payment for intangible assets	3.6	(184)	(578)
Payment for investments and term deposits		(78,204)	(55,898)
Proceeds from sale of property, plant and equipment		28,743	3,067
Proceeds from sale of investments		60,365	63,346
Acquisition of subsidiary, net of cash acquired		-	(1,602)
<b>Net cash from investing activities</b>		<b>8,322</b>	<b>3,277</b>
<b>Cash flows from financing activities</b>			
Lease payments (principal and interest)		(2,025)	-
<b>Net cash used in financing activities</b>		<b>(2,025)</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>18,174</b>	<b>(4,616)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>16,643</b>	<b>21,259</b>
<b>Cash and cash equivalents at the end of the financial year</b>	4.2	<b>34,817</b>	<b>16,643</b>

\* - The Group has initially applied AASB 16, AASB 15 and AASB 1058 at 1 July 2019. Under the transition method chosen, comparative information has not been restated. Refer to Note 6.6.

The accompanying notes form part of these financial statements.

## **Vision Australia Limited and controlled entities**

**Note to the financial statements for the year ended 30 June 2020**

# 1. About this report

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## **1.1 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 Vision Australia consolidated entity (“the Group”) consist of Vision Australia Limited and its controlled entities.

## **1.2 Basis of preparation**

### **Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards - Reduced Disclosure Requirements, and comply with other requirements of the law including Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Section 24(2) of the Charitable Fundraising Act (NSW) 1991.

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

The financial report was authorised for issue by the Directors on 26 August 2020.

### **Rounding off of amounts**

Vision Australia Limited is a Company of the kind referred to in ASIC corporations (Rounding in Financial / Directors’ Reports) instrument 2016/191. In accordance with that instrument, amounts in the Directors’ Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

## Vision Australia Limited and controlled entities

Notes to the financial statements for the year ended 30 June 2020 (Cont'd)

# 2. Results for the year

## 2.1 Revenue

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

	2020 \$'000	2019 \$'000
<u>Revenue from contracts under AASB 15</u>		
Revenue from sale of goods	21,777	17,392
Revenue from services rendered	13,773	11,145
Government grant income	29,660	36,514
Legacies, gifts in wills and donations	228	1,092
Other income	897	1,049
	66,335	67,192
<u>Revenue recognised under AASB 1058</u>		
Legacies, gifts in wills and donations	45,406	38,347
JobKeeper grant income	7,147	-
	52,553	38,347
<u>Other revenue</u>		
Interest income	467	477
Dividend revenue	4,231	4,542
Rental income	895	1,187
	5,593	6,206
Total Revenue	124,481	111,745
<u>Disaggregation of revenue from contracts under AASB 15</u>		
Government - Block	23,937	30,827
Government - Individualised	37,996	30,948
Non-government	4,402	5,418
	66,335	67,192
Non-AASB 15 revenue	58,146	44,553
Total Revenue	124,481	111,745

## **Vision Australia Limited and controlled entities**

### **Notes to the financial statements for the year ended 30 June 2020 (Cont'd)**

#### **2.1 Revenue (Cont'd)**

##### **Accounting Policy**

The Group has applied AASB 15 and AASB 1058 from 1 July 2019.

##### Policy applicable from 1 July 2019

##### **Revenue from contracts (AASB 15)**

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### Grant income

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control. 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 recognised in contract liability and will be brought to account in future years as the funds are expended.

##### Legacies, gifts in wills and donations

Revenue from specifically designated gifts in wills, where the designated expenditure for such gifts in wills 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 contract liabilities and will be brought to account in future years as the funds are expended.

##### Contract liabilities

The contract liabilities primarily relates to unexpended grant income, legacies, gifts in wills and donations for which revenue will be recognised over time as the fund are expended. Contract liabilities also includes unexpended grant income, legacies, gifts in wills and donations which the Group has not utilised for the designated expenditure and there is an obligation to repay the unutilised funds.

## Vision Australia Limited and controlled entities

### Notes to the financial statements for the year ended 30 June 2020 (Cont'd)

#### 2.1 Revenue (Cont'd)

##### Accounting Policy (Cont'd)

##### Revenue from contracts (AASB 15) (Cont'd)

###### Rendering of services

Services revenue is recognised when the performance obligations have been met. Where the consideration for services consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment) and the client receives and consumes the benefits of the services as the Group provides them then revenue is recognised on a straight line basis over the term of the contract.

###### Sale of goods and disposal of assets

Revenue from sales of goods comprises revenue earned from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

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 (point in time).

##### **Revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)**

###### Legacies, gifts in wills and donations

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 donations is recognised at the time of receipt. No amounts are included in the financial report for services donated by volunteers.

###### Fundraising

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

## **Vision Australia Limited and controlled entities**

### **Notes to the financial statements for the year ended 30 June 2020 (Cont'd)**

#### **2.1 Revenue (Cont'd)**

##### **Accounting Policy (Cont'd)**

##### **Other revenue**

###### 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.

Revenue is measured at the fair value of the consideration received or receivable.

###### 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.

###### Other income

Other income including rental 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.

###### Policy applicable before 1 July 2019

###### 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 recognised in contract liability and will be brought to account in future years as the funds are expended.

Revenue is measured at the fair value of the consideration received or receivable.

## Vision Australia Limited and controlled entities

### Notes to the financial statements for the year ended 30 June 2020 (Cont'd)

#### 2.1 Revenue (Cont'd)

##### Accounting Policy (Cont'd)

###### Policy applicable before 1 July 2019 (Cont'd)

###### Donations, Gifts in Wills 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 gifts in wills, where the designated expenditure for such gifts in wills 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.

###### Fundraising

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

###### 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.

###### 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.

###### 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.

## Vision Australia Limited and controlled entities

### Notes to the financial statements for the year ended 30 June 2020 (Cont'd)

#### 2.1 Revenue (Cont'd)

##### Accounting Policy (Cont'd)

##### Policy applicable before 1 July 2019 (Cont'd)

##### 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.

##### 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.

#### 2.2 Net gain/ (loss) on disposal of assets

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

	2020 \$'000	2019 \$'000
Loss on disposal of property, plant and equipment and intangible assets	(82)	(42)
Gain on disposal of assets held for sale	16,793	-
	16,711	(42)

Total realised gain on equity investments through other comprehensive income amounts to \$3,499,000 (2019: \$1,244,000).







































































