Financial Report

For the year ending
30 June 2016

Vision Australia Limited
ACN 108 391 831

Vision Australia
Blindness. Low Vision. Opportunity.

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Accessibility

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

Corporate Directory

Directors

Andrew Moffat (Appointed Chair from 29/10/15)
Theresa Smith-Ruig (Deputy Chair)
Bill Jolley
Cameron Roles (appointed 29/10/15)
Caroline Waldron
Don Fraser
Heith Mackay-Cruise
Kevin Murfitt (Chair until 29/10/15)
Lyn Allison
Nick Carter (Deputy Chair until 9/12/15)
Sara Watts
Sharon Bentley
Ron McCallum (resigned 29/10/15)

Chief Executive Officer

Ron Hooton

Company Secretary

David Speyer
Stephen Crook

Principal and Registered Office

454 Glenferrie Road
Kooyong, VIC 3144

Incorporation

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

Charitable Status, tax concessions and fundraising

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

External Auditors

Deloitte Touche
Tohmatsu 550 Bourke Street
Melbourne, VIC 3000

Internal Auditors

Ernst and Young
8 Exhibition Street
Melbourne, VIC 3000

Bankers

National Australia Bank
500 Bourke Street
Melbourne, VIC 3000

Investment Advisors

Evans and Partners
171 Collins Street
Melbourne, VIC 3000

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

Directors' Report

The directors of Vision Australia Limited submit herewith the annual report of the company for the financial year ended 30 June 2016.

1. Information about the directors

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

Directors Name	Particulars	Special Responsibilities
Andrew Moffat, BCom, LLB, Chair	Accredited Mediator	• Audit, Finance and Business Risk Committee (Chair until 19 November 2015) • Vision Australia Trust Board (Chair until 3 December 2015) • People & Culture Committee (from 29 October 2015) • Client Services Committee (from 29 October 2015) • Strategic Program Committee (from 29 October 2015 until 22 June 2016) • Board Development and Nominations Committee (from 29 October 2015 until 9 December 2015) • Property Committee (from 29 October 2015 until 9 December 2015)
Theresa Smith-Ruig, PhD, BCom (Hons), Deputy Chair	Senior Lecturer	• People & Culture Committee (Chair) • Audit, Finance and Business Risk Committee (from 9 December 2015) • Board Development and Nominations Committee (until 9 December 2015)
Bill Jolley, BA Hons (Math and Statistics), MAICD	Retired Public Servant	• Audit, Finance and Business Risk Committee (until 9 December 2015) • People and Culture Committee (from 9 December 2015) • Client Services Committee

Directors' Report

Directors Name	Particulars	Special Responsibilities
Cameron Roles, BA LLB, LLM	Lecturer	• People & Culture Committee (from 9 December 2015)
Caroline Waldron, LLB (Hons) London, FCIS, GAICD	Senior Professional with legal and commercial experience in technology, retail, healthcare and professional services sectors	• Client Services Committee (Chair)
Donald Fraser, BSc (Hons), Dip Ed, MBA, M.Comm.Law, DBA, FACS, FAICD	Business Manager	• People & Culture Committee • Strategic Program Committee (Chair until 22 June 2016) • Board Development and Nominations Committee (until 9 December 2015)
Heith Mackay-Cruise, BEc, FAICD	Professional Director	• Vision Australia Trust Board (from 10 October 2015, Chair from 3 December 2015), • People & Culture Committee • Strategic Program Committee (until 22 June 2016) • Property Committee (until 9 December 2015)
Kevin Murfitt, PhD, BA (Hons)	Lecturer	• Audit, Finance and Business Risk Committee (until 29 October 2015) • Vision Australia Trust Board (until 28 January 2016) • People & Culture Committee (until 29 October 2015) • Client Services Committee • Strategic Program Committee (until 29 October 2015) • Board Development and Nominations Committee (until 29 October 2015) • Property Committee (until 29 October 2015)

Directors' Report

Directors Name	Particular	Special Responsibilities
Lyn Allison, BEd, AAICD	Former Senator	• Audit, Finance and Business Risk Committee (from 9 December 2015) • Strategic Program Committee (until 22 June 2016) • Property Committee (until 9 December 2015)
Nick Carter, FRICS, FAPI, FAICD, Deputy Chair until 9 December 2015	Business Owner	• Vision Australia Trust Board • Property Committee • (Chair until 9 December 2015) • Board Development and Nominations Committee (until 9 December 2015)
Sara Watts, BSc, MBA, FCPA, GAICD	Vice-Principal (Operations), University of Sydney Chair, Audit Committee Victorian Auditor General's Office	• Audit, Finance and Business Risk Committee (Chair from 19 November 2015) • Vision Australia Trust Board • Strategic Program Committee (until 22 June 2016)
Associate Professor Sharon Bentley BScOptom, MOptom, PhD, MPH, FAAO, FACO	Director of Clinical Services, Australian College of Optometry Honorary Principal Fellow, University of Melbourne	• Client Services Committee
Professor Emeritus Ron McCallum AO, BJuris, LLB,(Hons) (Monash), LLM Qu	Professor of Law, Deputy Chair United Nations Committee on the Rights of Persons with Disabilities, Senior Australian of the year 2011	• People & Culture Committee (until 29 October 2015)

2. Company Secretaries

David Speyer, ACA, GAICD
Stephen Crook, CA, AGIA

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, six Audit, Finance and Business Risk Committee meetings, five Client Service Committee meetings, four People and Culture Committee meetings, two Board Development and Nominations Committee meetings, one Property Committee meeting, two Strategic Program Committee meetings and six Vision Australia Trust (VAT) Board meetings.

	Date Appointed	Board		Audit, Finance and Business Risk Committee		Client Services Committee		People and Culture Committee		Board Development and Nominations Committee		Property Committee		Strategic Program Committee		VAT Board	
		M	A	M	A	M	A	M	A	M	A	M	A	M	A	M	A
Andrew Moffat (Chair)	26 Aug 11	6	6	6	6	3	3	2	2							6	6
Theresa Smith-Ruig	26 Jun 07	6	6	3	2			4	4	2	2						
Bill Jolley	01 Jul 14	6	6	3	3	5	5	2	2								
Cameron Roles	29 Oct 15	4	4					2	2								
Caroline Waldron	08 Nov 13	6	6			5	5										
Don Fraser	31 Jul 08	6	6					4	4	2	2			2	2		
Heith Mackay-Cruise	08 Nov 13	6	6					4	4			1	1	2	2	5	5
Kevin Murfitt	11 May 04	6	5	3	2	5	4	2	2	2	2	1	1	2	2	3	2
Lyn Allison	31 Jul 08	6	6	3	3							1	1	2	2		
Nick Carter	15 Dec 06	6	5							2	1	1	1			6	5
Sara Watts	13 08 Nov	6	6	6	5									2	2	6	5
Sharon Bentley	06 May 15	6	6			5	5										
Ron McCallum AO	09 Jan 06	2	1					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 2016 the ASX Principles have been applied in the following ways:

4.1 Foundations for management and oversight

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

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

- 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
- Appoint the company's external auditor if an auditor has not been appointed by the company at a general meeting
- Providing input to and final approval of business plans and budgets
- Appointing and removing Company Secretaries
- Establishing Board committees, their membership, Chair and delegated authorities and approve their charters
- Ratifying the appointment, succession planning, restructuring and termination of senior executives who report directly to the CEO
- Considering and deciding on major capital projects and related expenditure, acquisitions, divestments, and monitoring of capital investment management in excess of authority levels delegated to management
- Monitoring compliance with all legal and regulatory obligations
- Approving the company's annual report, and any other communications to members relating to the external auditors and the company's financial statements
- Approving any public statements which reflect significant decisions of the Board
- Calling of meetings of members (other than when requested by the requisite number of members in accordance with the Corporations Act and the Constitution)
- Board composition recommendations, succession planning, director nomination and appointment practices and criteria

- Any specific matters nominated by the Board from time to time

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.

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 2016.

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

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

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

4.3 Ethical and responsible decision making

Code of Professional Conduct

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

The Code states the values and policies of Vision Australia Limited and complements the Company's risk management and internal control practices. The Code is reviewed and updated to ensure that it reflects current good practice, and to promote the ethical behaviour of all employees. Vision Australia also has a Directors' Disclosure of Interests Policy and Policy for Handling Conflicts of Interest.

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

4.4 Safeguarding integrity and financial reporting

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

4.5 Timely and balanced disclosure

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

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

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 on matters related to their portfolios, and provide input and feedback regarding Vision Australia's program initiatives, particularly as they relate to their area of lived experience. 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.

The group members are able to analyse and consider any reports and papers in relation to their portfolio area 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 in relation to their portfolio. The Group meets with Vision Australia's board of directors in person twice a year, and occasionally 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 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 Strategic Risk, the Business Continuity Plan and the Disaster Recovery Plan on a regular basis and satisfies itself that management has appropriate systems in place for managing risk and maintaining internal controls.

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

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

4.8 Remunerating fairly and responsibly

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

4.9 Committees

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

Audit Finance and Business Risk Committee

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

The main functions of the Committee are to:

- Provide strategic financial and business advice to management;
- Oversee the Company's relationship with the external and internal auditor and the external audit function generally;
- Assess the adequacy of the financial statements and reports;
- Evaluate the adequacy of the Company's financial controls and systems;
- Oversee the process of identification and management of business, financial, property and commercial risks; and
- Interface with other Committees as required.

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

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

The Audit Finance and Business Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party. The Audit Finance and Business Risk Committee Charter can be viewed on the Vision Australia website at www.visionaustralia.org.

Committee members during the year were:

- Sara Watts (Chair from 19/11/15)
- Andrew Moffat (Chair until 19/11/15)
- Bill Jolley (until 9/12/15)
- Lyn Allison (appointed 9/12/15)
- Sam Lobley (Co-opted member / appointed 14/10/15)
- Theresa Smith-Ruig (appointed 9/12/15)
- Tim Boyle (Co-opted member)
- Kevin Murfitt (until 29/10/15)
- Roger Zimmerman (Co-opted member, retired 24/2/16)

Client Services Committee

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

The role of the Client Services Committee is to provide governance oversight of the services provided to clients of Vision Australia in particular:

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

The main functions of the Committee include:

- Oversee strategies and plans for quality improvement, clinical governance, evaluate client and volunteer participation and client based research activities;
- Receive and review by exception, all audits or reviews pertaining to service delivery, quality and clinical governance and monitor management responses;

- Receive and review reports on the management of complaints, outcome measures, client satisfaction results and monitor management responses; and
- Report to the Board on the matters listed above.

Committee members during the year were:

- Caroline Waldron (Chair)
- Kevin Murfitt
- Sharon Bentley
- Bill Jolley
- Clinton Herd (Co-Opted member)
- Andrew Moffat (appointed 29/10/15)

The Client Services Committee charter can be viewed on the Vision Australia website at www.visionaustralia.org.

People and Culture Committee

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

The main functions are to:

- Monitor the culture of the organisation and management strategies to develop a culture consistent with the mission of the organisation;
- Review Vision Australia HR policies on a rolling cyclical basis to ensure their currency and relevance to the organisation's overall mission and objectives;
- Evaluate and provide advice on the organisation's strategy for industrial relations and monitor its implementation;
- Monitor the content of and compliance with the organisation's people and culture systems and processes in the important areas of:
  - Workplace health and safety;
  - Employment diversity;
  - Executive succession planning and talent management;
  - Remuneration policy;
  - Paid and volunteer workforce planning and management;
- With regard to the CEO, through the Board Chair:
  - Recommend to the Board the appointment and the terms of engagement of a Chief Executive Officer;
  - Set annual performance targets for the CEO, evaluate the CEO's performance against these targets and report results to the Board; and
  - Recommend to the Board any change to the CEO's remuneration;
- With regard to the senior executive who report directly to the Chief Executive Officer:
  - Consider and if appropriate approve recommendations from the Chief Executive Officer on the appointment and terms of engagement;
  - Review performance against targets set by the CEO, consider, and if appropriate approve changes in remuneration based on CEO recommendation; and
  - Provide oversight of any disciplinary action including dismissal, and any restructuring leading to senior executive redundancy;
- Manage induction of newly appointed Directors and the professional development of all Directors and

examine ways to improve Board performance; and
- Report to the Vision Australia Board on the items above.

Committee members during the year were:

- Theresa Smith-Ruig (Chair)
- Don Fraser
- Heith Mackay-Cruise
- Andrew Moffat (appointed 29/10/15)
- Bill Jolley (appointed 9/12/15)
- Cameron Roles (appointed 9/12/15)
- Kevin Murfitt (until 29/10/15)
- Ron McCallum (retired 29/10/15)

The People and Culture Committee charter can be viewed on the Vision Australia website at www.visionaustralia.org.

Vision Australia Foundation, Trustee of the Vision Australia Trust

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

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

The objectives of the Foundation are to:

- Appoint the investment manager and property manager to assist it in meeting this objective;
- Assess the performance of the investment manager and the property manager;
- Invest the assets of the Trust in accordance with the investment mandate determined from time to time by the Vision Australia Limited Board (VAL Board);
- Oversee the property assets of the Trust in accordance with the property mandate determined from time to time by the VAL Board;
- Appoint the auditor of the Trust and the Foundation;
- Examine and accept the auditor's annual report;
- Assess the adequacy of the financial statements and reports prepared by the investment manager, property manager and management;
- Ensure that the Trust's financial reports accurately reflect its performance; and
- Oversee the Foundation's discharge of its responsibilities with respect to compliance with regulatory requirements.

The Charter of the Vision Australia Foundation as Trustee of the Vision Australia Trust can be found on the Vision Australia website at: www.visionaustralia.org.

Directors of the Foundation during the year were:

- Heith Mackay Cruise – appointed 14/10/15 (Chair from 3/12/15)
- Sara Watts
- Andrew Moffat (Chair until 3/12/15)
- Tim Boyle
- David Hodgson
- Nick Carter
- Ron Hooton
- David Speyer (Secretary)
- Roger Zimmerman (retired 24/2/16)
- Kevin Murfitt (retired 28/1/16)

Committees closed during the Financial Year

The following Committees were closed during the financial year:

- Property Committee
- Board Development and Nominations Committee
- Strategic Program Committee

The responsibilities of the above closed committees were incorporated in the updated charters for the existing active committees and /or the Board.

The responsibilities in relation to providing strategic property advice and monitoring of Vision Australia's owned property portfolio is managed by Vision Australia Trust. The leasehold property is managed by the CEO.

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 has continued to fulfil its mission of providing relevant services to people who are blind or have low vision.

Activities during the 2016 financial year returned a surplus of $12,524,000 (2015: surplus of $10,259,000) which after adjusting for non-operating and once off costs, provided a recurring surplus of $11,209,000 (2015: surplus $6,511,000).

The net assets of the Vision Australia consolidated entity has increased by $8,271,000 from the returned surplus offset by a decrease in the value of investments of $4,253,000 during the year. This result is largely attributable to the continued focus of delivering services on a sustainable basis and which combined with improvements in investment income despite the downward trend in the interest rate and general economic conditions and significant bequests.

By comparison to the previous financial year, the recurring operating surplus of $11,209,000 (refer note 6.3 below) is an improvement of $4,698,000 from the recurring operating surplus for the previous financial year of $6,511,000.

6.2 Revenue

In 2016 Vision Australia Limited's revenue was $102,706,000 (2015: $92,877,000) which was an increase of $9,829,000 or 10.6%.

The increase in revenue of $9,829,000 has been achieved from increases in revenue from legacies, bequests and donations income which was up by $9,788,000.

Directors' Report

6.3 Surplus for the year

	2016 $'000	2015 $'000
Adjusted (recurring) Operating Surplus	11,209	6,511
Adjusted for non-operating and once off costs:		
Net gain on disposal of assets	37	6,234
Impairment losses	-	(697)
Restructuring costs	1,278	(1,789)
Reported Surplus for the year	12,524	10,259

Vision Australia has elected to early adopt Accounting Standard AASB 9 Financial Instruments from 1 July 2015. Early adoption has allowed Vision Australia to recognise the realised gains and losses from equity instruments through other comprehensive income. Total realised loss on equity investments through other comprehensive income amounts to $3,801,000.

6.4 Impairments

In 2016, no impairment losses on assets were charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income (2015: loss of $697,000).

7. Matters subsequent to the end of the financial year

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

8. Future developments

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

9. Significant changes in the state of affairs

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

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 416 members at 30 June 2016 (2015: 476).

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

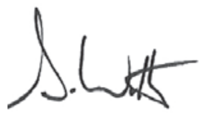
The auditor’s independence declaration is included after the directors’ declaration in the financial report.

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.

On behalf of the directors:



Andrew Moffat
Director
31 August 2016

Sara Watts
Director
31 August 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

As at 30 June 2016

	Note	2016 $'000	2015 $'000
Revenue	5	102,706	92,877
Raw materials and consumables used		(6,008)	(5,648)
Employee benefits expense	6(b)	(53,746)	(51,597)
Depreciation and amortisation expense	6(b)	(3,490)	(3,763)
Occupancy expense		(5,521)	(4,980)
Communications expense		(1,614)	(1,431)
Transport expense		(3,202)	(2,826)
Administration expense	6(b)	(2,990)	(2,474)
Finance costs	6(b)	(145)	(284)
Other expenses	6(b)	(14,781)	(13,363)
		11,209	**6,511**
Net gain on disposal of assets	6(a)	37	6,234
Impairment reversal – property, plant and equipment	12	-	-
Impairment expense – property, plant and equipment	12	-	(373)
Impairment expense – non-current assets held for resale	11	-	(422)
Impairment reversal – non-current assets held for resale	11	-	342
Impairment expense – available for sale investments		-	(244)
Restructuring Costs, net	32	1,278	(1,789)
Surplus for the year		**12,524**	**10,259**
Other comprehensive income **Items that may be reclassified subsequently to surplus or deficit:**			
Mark to market revaluation on available for sale investments		(452)	(3,166)
Realised loss on equity investments		(3,801)	-
Impairment loss on available for sale investments transferred to Statement of Comprehensive Income		-	244
Impairment loss derecognised on disposal of available for sale investments		-	(935)
		(4,253)	(3,857)
Total comprehensive income for the year		**8,271**	**6,402**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2016

	Note	**2016 $'000**	2015 $'000
Current assets			
Cash and cash equivalents	23(a)	16,000	7,705
Trade and other receivables	7	2,763	2,954
Other financial assets	8	10,516	21,453
Inventories	9	1,065	1,028
Other current assets	10	720	585
		31,064	33,725
Assets classified as held for sale	11	14,550	880
Total current assets		**45,614**	**34,605**
Non-current assets			
Trade and other receivables	7	103	106
Other financial assets	8	101,356	88,538
Property, plant and equipment	12	80,398	92,879
Investment property	13	145	148
Intangible assets	14	3,130	3,536
Total non-current assets		**185,132**	**185,207**
Total assets		**230,746**	**219,812**
Current liabilities			
Trade and other payables	15	9,103	7,986
Provisions	16	7,087	7,288
Other current liabilities	17	4,132	2,339
Total current liabilities		**20,322**	**17,613**
Non-current liabilities			
Trade and other payables	15	3	3
Provisions	16	1,310	1,356
Total non-current liabilities		**1,313**	**1,359**
Total liabilities		**21,635**	**18,972**
Net assets		**209,111**	**200,840**
Equity			
Retained surplus	20	202,740	194,017
Reserves	19	6,371	6,823
Total equity		**209,111**	**200,840**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Retained Surplus	General Reserve	Asset Revaluation Reserve	Total
	$'000	$'000	$'000	$'000
Balance at 30 June 2014	**184,205**	**3,500**	**6,733**	**194,438**
Adjustment for impairment loss on available for sale investments recognised as an expense in the current year	-	-	244	244
Impairment loss derecognised on disposal of available for sale investments	-	-	(935)	(935)
Transfer of endowment fund to general reserve	(447)	447	-	-
Mark to market revaluation on available for sale investments	-	-	(3,166)	(3,166)
Other Comprehensive Income	(447)	447	(3,857)	(3,857)
Surplus for the year	10,259	-	-	10,259
Total comprehensive income for the year	9,812	447	(3,857)	6,402
Balance at 30 June 2015	194,017	3,947	2,876	200,840
Realised and unrealised loss on equity investments	-	-	(4,253)	(4,253)
Transfers to retained surpluses	(3,801)	-	3,801	-
Transfer of endowment fund to general reserve	-	-	-	-
Other Comprehensive Income	(3,801)	-	(452)	(4,253)
Surplus for the year	12,524	-	-	12,524
Total comprehensive income for the year	8,723	-	(452)	8,271
Balance at 30 June 2016	202,740	3,947	2,424	209,111

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Cash receipts from operations		94,471	86,342
Interest received		687	842
Dividends received		5,745	4,882
Payments to suppliers and employees		(85,838)	(84,012)
Bank charges and borrowing costs		(145)	(284)
Net cash provided by operating activities	23(b)	14,920	7,770
Cash flows from investing activities			
Payment for property, plant and equipment		(3,726)	(3,637)
Payment for intangible assets		(650)	(852)
Payment for investments and term deposits		(103,518)	(102,807)
Proceeds from sale of property, plant and equipment		143	1,436
Proceeds from sale of property, and non-current assets classified as held for sale		-	2,205
Proceeds from sale of investments		101,126	91,624
Net cash (used in) investing activities		(6,625)	(12,031)
Net increase / (decrease) in cash and cash equivalents		8,295	(4,261)
Cash and cash equivalents at the beginning of the financial year		7,705	11,966
Cash and cash equivalents at the end of the financial year	23(a)	16,000	7,705

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2016

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 New and revised Standards affecting amounts reported and/or disclosures in the financial statements

Adoption of revised AASB 9 Accounting Standard: Financial Instruments

The Group has elected to early adopt Accounting Standard AASB 9 Financial Instruments from 1 July 2015. This new standard has been adopted because it includes requirements for the classification and measurement of financial assets which improve and simplify the approach when compared with the requirements of the previous Accounting Standard AASB 139 Financial Investments: Recognition and Measurement.

AASB 9 allows, and the Group has made, an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The Group considers this to result in a presentation that better presents performance and operations of the organisation.

Investments in equity instruments, which were previously classified as available for sale financial assets, are from 1 July 2015 classified as equity instruments re-valued through other comprehensive income. They continue to be valued at fair value with changes in value being recognised in the Changes in Fair Value of Equity Investments reserve (previously Unrealised gains/ (losses) on available for sale investments reserve). Consequently adoption of AASB 9 has no effect on the valuation of the Group's net assets or total comprehensive income.

All gains and losses on equity investments thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income. Under AASB 9, there is no recycling of the realised gains and losses to the net profit for the period as previously required under AASB 139. There is also no requirement to test Group's equity investments for impairment with the result that there is no transfer of unrealised impairment losses from the asset revaluation reserve to the net profit for the period.

The transition provisions of AASB 9 require the standard to be applied retrospectively but it cannot be applied to investments that were disposed of prior to the initial application date, which in Group's case is 1 July 2015. Therefore, investments that were sold prior to 1 July 2015 have been accounted for under the previous standard AASB 139 where realised gains and losses on sales are included in profit for the period. After 1 July 2015 all realised gains and losses on the sale of investments are included in other comprehensive income.

2.2 Standards and interpretations in issue not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016 'Leases'	1 January 2019	30 June 2020
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities	1 January 2016	30 June 2017

Notes to the Financial Statements for the year ended 30 June 2016

Note 3: Significant accounting policies

3.1 Statement of compliance

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

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

The financial report was authorised for issue by the directors on 31 August 2016.

3.2 Basis of preparation

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

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

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

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

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

The principal accounting policies are set out below.

3.3 Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

3.4 Business Combinations

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

3.5 Cash and cash equivalents

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

3.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

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

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

3.6.1 Defined contribution plans

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

3.6.2 Defined benefit plans

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

3.6.3 Termination benefit

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

3.7 Financial assets

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

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

3.7.1 Effective interest method

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

3.7.2 Held-to-maturity investments

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

3.7.3 Available-for-sale investments

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

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

The Group has elected to early adopt Accounting Standard AASB 9 Financial Instruments from 1 July 2015. Early adoption has allowed Vision Australia to recognise the realised gains and losses from equity instruments through other comprehensive income (refer to Note 2.1).

3.7.4 Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate,except for short-term receivables when the recognition of interest would be immaterial.

3.7.5 Impairment of financial assets

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

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

The carrying amount of trade receivables 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.

In respect of available-for-sale equity instruments any increase in fair value is recognised in other comprehensive income and accumulated in the asset revaluation reserve.

3.8 Financial liabilities

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

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

3.9 Assets held for sale

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

3.10 Intangible assets

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

Audio Masters	5 years
Computer Software	3 years

3.11 Inventories

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

3.12 Investment property

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

Depreciation is provided on investment property, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

Notes to the Financial Statements for the year ended 30 June 2016

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	3 years
Furniture, Plant and Equipment	10-20%
Motor Vehicles	15%

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

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

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

3.14 Leased assets

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

3.14.1 The Group as lessor

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

3.14.2 The Group as lessee

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

3.15 Impairment of non-current assets other than financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

3.16 Provisions

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

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

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

3.16.1 Restructurings

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

3.17 Revenue

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

Notes to the Financial Statements for the year ended 30 June 2016

3.17.1 Revenue: General and Specific Grant Income

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

3.17.2 Donations, Bequests and Estates

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

3.17.3 Fundraising

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

3.17.4 Sale of Goods and Disposal of Assets

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

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

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

3.17.5 Rendering of Services

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

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

3.17.6 Contributions of Assets

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

3.17.7 Liabilities Forgiven

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

3.17.8 Dividend and interest income

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

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

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

3.17.9 Other Income

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

3.18 Goods and services tax

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

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

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

3.19 Income tax

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

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.

4.4.2 Employee Entitlements

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

- Future increases in wages and salaries;
- Future interest rates;
- Future on-cost rates; and
- Experience of employee departures and period of service.

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

4.1.3 Held to maturity financial assets

The Directors have reviewed the Group's held to maturity financial assets and have confirmed the Group's positive intention and ability to hold these assets to maturity. The carrying amount of the held to maturity financial assets is $10,516,000 (2015: $21,453,000).

4.2 Key sources of estimation uncertainty

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

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

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

	2016 $'000	2015 $'000
Revenue from operations consisted of the following items:		
Revenue from the sale of goods	4,711	5,256
Revenue from services rendered	3,947	2,981
Commonwealth Government grant income	5,863	6,948
State Government grant income	28,752	25,680
Other grant income	-	3,433
Legacies, bequests and donations	51,608	41,820
Rental revenue	829	570
Interest revenue	783	827
Dividend revenue	5,745	4,882
Other revenue	468	480
	102,706	92,877

Notes to the Financial Statements for the year ended 30 June 2016

Note 6: Surplus for the year

	2016 $'000	2015 $'000
(a) Net Gain on disposal of assets Surplus for the year has been arrived at after crediting/(charging) the following gains and losses on disposal of assets:		
Gain on disposal of property, plant and equipment	37	70
Gain on disposal of investments	-	5,229
Derecognition of impairments on disposal of investments	-	935
	37	6,234

Vision Australia has elected to early adopt Accounting Standard AASB 9 Financial Instruments from 1 July 2015. Early adoption has allowed Vision Australia to recognise the realised gains and losses from equity instruments through other comprehensive income. Total realised loss on equity investments through other comprehensive income amounts to $3,801,000.

	2016 $'000	2015 $'000
(b) Expenses Surplus for the year includes the following expenses:		
Employee benefit expense:		
Company contributions to superannuation plans	4,414	4,195
Termination benefits	235	591
Other employee benefits	49,097	46,811
	53,746	51,597
Depreciation and amortisation expense:		
Buildings	1,364	1,389
Investment property	3	3
Plant and equipment, furniture and fittings	589	925
Motor vehicles	184	406

Note 6: Surplus for the year (cont'd)

	2016 $'000	2015 $'000
Computers	294	192
Intangible assets (Note 14)	1,056	848
	3,490	3,763
Administration expense:		
Insurance expense	295	272
External service costs	2,293	1,618
Other administration costs	402	584
	2,990	2,474
Finance costs:		
Other finance costs	145	284
	145	284
Other expenses includes:		
Equipment and technology	3,644	3,139
Events and fundraising	9,184	8,306
Miscellaneous	1,953	1,918
	14,781	13,363
Operating lease rental expenses included in occupancy expense:		
Minimum lease payments	2,791	2,513
Sub-lease payments received	(511)	(394)
	2,280	2,119

Note 7: Trade and other receivables

	2016 $'000	2015 $'000
Current		
Trade receivables (i)	934	1,233
Allowance for doubtful debts	(114)	(26)
	820	1,207
Interest and dividends receivable	1,219	1,123
Sundry debtors	724	577
Net goods and services tax recoverable	-	47
	2,763	2,954
Non-current		
Sundry debtors	103	106
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	26	25
Amounts recovered during the year	(10)	(9)
Amounts provided for during the year	98	10
Balance at the end of the year	114	26
Ageing of past due but not impaired trade receivables (ii)		
Current	464	723
30-60 days	197	235
60-90 days	64	61
90+ days	209	189
	934	1,208
Ageing of past due and impaired trade receivables		
60-90 days	-	-
90+ days	114	26
	114	26

i. The credit period provided by Vision Australia Limited on sales of goods and services is 30 days from the date of the invoice. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to specific debtor balances.

Note 7: Trade and other receivables (cont'd)

ii. Receivables past due but not impaired are considered collectible despite being outside Vision Australia Limited's standard terms of trade as there are a number of debtors (typically business and government) that pay in 60 – 90 day cycles. This results in amounts being in the 90+ day category.

Note 8: Other financial assets

	2016 $'000	2015 $'000
Current Held to maturity investments carried at cost:		
Interest bearing deposits	10,516	21,453
	10,516	21,453
Non-current Available for sale investments carried at fair value:		
Managed trusts and funds	20,759	18,410
Fixed interest securities	30,827	18,426
Shares	49,770	51,702
	101,356	88,538

Note 9: Inventories

Goods available for sale at cost (i)	1,120	1,052
Provision for stock obsolescence	(55)	(24)
	1,065	1,028
(i) Goods available for sale at balance date comprise the following:		
Equipment Solutions	1,058	801
Other goods for sale	62	251
	1,120	1,052

Notes to the Financial Statements for the year ended 30 June 2016

Note 10: Other current assets

Prepaid Rent	176	153
Prepaid Insurance	33	35
Prepaid IT services and support fees	343	379
Other prepayments	168	18
	720	585

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

	2016 $'000	2015 $'000
Gross carrying amount		
Balance at beginning of financial year	1,616	2,589
Disposals	-	(2,589)
Transfer from assets classified as property, plant and equipment (refer note 12) (i)	14,671	1,616
Balance at end of financial year	16,287	1,616
Accumulated depreciation and impairment		
Balance at beginning of financial year	(736)	(357)
Disposals	-	14
Net impairment losses charged to surplus	-	(422)
Reversal of impairment losses credited to surplus	-	342
Transfer from assets classified as property, plant and equipment (refer note 12) (i)	(1,001)	(313)
Balance at end of financial year	(1,737)	(736)
Net book value	14,550	880

(i) The transfer from property, plant and equipment relates to land and buildings that is classified as asset held for sale and the Group remains committed to the sale.

Note 12: Property, plant and equipment

	Land at cost	Buildings at cost	Furniture, plant and equipment at cost	Motor vehicles at cost	Computers at cost	Capital work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount							
Balance at 30 June 2014	42,449	59,557	13,505	5,020	6,835	155	127,521
Additions	-	416	281	24	327	2,589	3,637
Transfer	(1,057)	(559)	-	-	76	(1,994)	(3,534)
Disposals	-	(56)	(655)	(3,492)	(1,083)	-	(5,286)
Balance at 30 June 2015	41,392	59,358	13,131	1,552	6,155	750	122,338
Additions	-	432	283	114	340	2,557	3,726
Transfer	(7,042)	(7,162)	-	-	-	(467)	(14,671)
Disposals	-	-	-	(362)	(2)	-	(363)
Balance at 30 June 2016	34,350	52,628	13,414	1,304	6,493	2,840	111,029
Accumulated depreciation and impairment							
Balance at 30 June 2014	(666)	(9,395)	(11,268)	(2,908)	(6,540)	-	(30,777)
Disposals	-	56	656	2,493	1,085	-	4,290
Reversal of impairment losses credited to surplus (i)	-	(373)	-	-	-	-	(373)
Impairment losses charged to surplus (i)	176	137	-	-	-	-	313
Depreciation expense	-	(1,389)	(925)	(406)	(192)	-	(2,912)
Balance at 30 June 2015	(490)	(10,964)	(11,537)	(821)	(5,647)	-	(29,459)

Notes to the Financial Statements for the year ended 30 June 2016

Note 12: Property, plant and equipment (cont'd)

Disposals	-	-	-	258	-	-	258
Reversal of impairment losses credited to surplus (i)	-	-	-	-	-	-	-
Transfer	-	1,001	-	-	-	-	1,001
Depreciation expense	-	(1,364)	(589)	(184)	(294)	-	(2,431)
Balance at 30 June 2016	(490)	(11,327)	(12,126)	(747)	(5,941)	-	(30,631)
Net book value							
As at 30 June 2015	40,902	48,394	1,594	731	508	750	92,879
As at 30 June 2016	33,860	41,301	1,288	557	552	2,840	80,398

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

Note 13: Investment property

	2016 $'000	2015 $'000
Gross carrying amount		
Balance at beginning of financial year	183	183
Transfer to non-current assets held for sale	-	-
Balance at end of financial year	183	183
Accumulated depreciation and impairment		
Balance at beginning of financial year	(35)	(32)
Depreciation expense	(3)	(3)
Balance at end of financial year	(38)	(35)
Net book value	145	148

Note 14: Intangible assets

	Audio Masters	Computer Software	Total
	$'000	$'000	$'000
Consolidated Gross carrying amount			
Balance at 30 June 2014	7,058	5,999	13,057
Additions	-	1,918	1,918
Disposals	504	348	852
Balance at 30 June 2015	7,562	8,265	15,827
Additions	433	217	650
Balance at 30 June 2016	7,995	8,482	16,477
Accumulated amortisation and impairment			
Balance at 30 June 2014	(5,885)	(5,558)	(11,444)
Amortisation expense	(436)	(412)	(848)
Balance at 30 June 2015	(6,321)	(5,970)	(12,291)
Amortisation expense	(447)	(609)	(1,056)
Balance at 30 June 2016	(6,768)	(6,579)	(13,347)
Net book value			
As at 30 June 2015	**1,241**	**2,295**	**3,536**
As at 30 June 2016	**1,227**	**1,903**	**3,130**

Notes to the Financial Statements for the year ended 30 June 2016

Note 15: Trade and other payables

	2016 $'000	2015 $'000
Current		
Trade payables (i)	827	601
Net goods and services tax payable	20	-
Other creditors and accrued expenses	8,256	7,385
	9,103	7,986
Non-current		
Endowment and scholarship funds	3	3
	3	3

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

Note 16: Provisions

	2016 $'000	2015 $'000
Current		
Annual leave	2,687	2,538
Long service leave	4,320	4,661
Other leave	80	89
Total current employee benefits (i)	7,087	7,288
Non-current		
Employee benefits – Long Service Leave	1,310	1,356

(i) The current provision for employee benefits includes $3,534,616 (2015: $3,827,000) of vested long service leave entitlements accrued but not expected to be taken within 12 months.

Note 17: Other current liabilities

	2016 $'000	2015 $'000
Grant and other income received in advance	4,132	2,339
	4,132	2,339

Note 18: Retirement Benefit Plans

Vision Australia Limited is a member of Health Super Pty Ltd multi-employer defined benefit superannuation plan and is required to contribute a specified percentage of payroll costs to fund the retirement benefits of 4 (2015: 4) employees.

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

In accordance with the requirements of AASB 119, given the lack of sufficient information available, the plan is accounted for as if it were a defined contribution plan. Vision Australia Limited made total contributions to the plan of $21,000 (2015: $21,000) during the year which are recognised as an expense in the statement of profit or loss and other comprehensive income.

Note 19: Reserves

	2016 $'000	2015 $'000
Asset Revaluation Reserve (i)		
Balance at beginning of financial year	2,876	6,733
Mark to market revaluation on available for sale investments	(452)	(3,166)
Impairment loss on available for sale investments reclassified to Statement of Comprehensive Income	-	244
Impairment loss derecognised on disposal of available for sale investments	-	(935)
Balance at end of financial year	2,424	2,876
General Reserve (ii)		
Balance at beginning of financial year	3,947	3,500
Transfer of endowment fund from retained earnings	-	447
Balance at end of financial year	3,947	3,947
Balance at end of financial year	6,371	6,823

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

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

Note 20: Retained surplus

	2016 $'000	2015 $'000
Balance at beginning of financial year	194,017	184,205
Net surplus attributable to members of the parent entity	12,524	10,259
Transfer of realised loss on equity investments	(3,801)	-
Transfer of endowment fund to general reserve	-	(447)
Balance at end of financial year	202,740	194,017

Note 21: Contingent liabilities

(a) At 30 June 2016 Vision Australia Limited had a bank guarantee relating to a leased properties of $70,372 (2015: $28,187).

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

	2016 $'000	2015 $'000
Amount used	30	23
Amount unused	70	77
	100	100

Note 22: Leases

Disclosures for lessees

Operating leases

Leasing arrangements

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

	2016 $'000	2015 $'000
Non-cancellable operating lease commitments:		
Not longer than 1 year	1,914	1,412
Longer than 1 year and not longer than 5 years	2,791	774
Longer than 5 years	-	-
	4,705	2,186

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	200	227
Longer than 1 year and not longer than 5 years	178	295
Longer than 5 years	58	191
	436	713

Note 23: Note to the cash flow statement

a. Reconciliations of cash and cash equivalents

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

	2016 $'000	2015 $'000
Cash at bank	4,190	2,230
At call accounts	11,810	5,475
Cash and cash equivalents	16,000	7,705

b. Reconciliation of surplus for the year to net cash flows provided by operating activities

Net surplus for the year	12,524	10,259
Depreciation	2,434	2,915
Amortisation	1,056	848
Net impairment expense	-	697
Net gain on disposal of assets	(37)	(6,234)
Non-cash bequest of shares	(3,743)	(372)
(Increase) in provision for employee benefits	(247)	(956)
Decrease in trade receivables and sundry debtors	147	123
(Increase) / Decrease in other current assets	(134)	202
(Increase) / Decrease in inventories	(37)	197
Increase in trade payables and accruals	1,164	699
Increase / (Decrease) in income in advance	1,793	(608)
Net cash provided by operating activities	14,920	7,770

c. Financing facilities available

Finance Lease Facility		
Amount used	-	-
Amount unused (i)	1,000	280
	1,000	280

(i) There is no line or unused limit fee associated with this facility. The $1,000,000 facility relates to vehicle leasing facility with the Bank.

Note 24: Financial instruments

24.1 Fair Value of Financial Instruments

The fair value measurement and categories are disclosed in Note 3.2 of the financial statements.

	2016		2015	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Financial assets				
Cash and cash equivalents	16,000	16,000	7,705	7,705
Trade receivables	820	820	1,207	1,207
Other receivables	2,047	2,047	1,853	1,853
Interest bearing deposits	10,516	10,516	21,453	21,453
Shares	49,770	49,770	51,702	51,702
Managed trusts and funds	20,759	20,759	18,410	18,410
Fixed interest securities	30,827	30,827	18,426	18,426
	130,739	130,739	120,756	120,756
Financial liabilities				
Trade payables	827	827	601	601
Other payables	8,279	8,279	7,388	7,388
	9,106	9,106	7,989	7,989

24.2 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.

	2016 $'000	2015 $'000
Cash and cash equivalents	16,000	7,705
Trade and other receivables	2,867	3,060
Held to maturity investments	10,516	21,453
Available for Sale Financial Assets	101,356	88,538

Note 25: Key management personnel remuneration and related party disclosures

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

- Mr Andrew Moffat, Chair (appointed Chair 29/10/15)
- Mr Kevin Murfitt (Chair until 29/10/15)
- Mr Ron Hooton, Chief Executive Officer
- Mr David Speyer, Chief Financial Officer
- Mr Leigh Garwood, General Manager Victoria, South Australia and Seeing Eye Dogs
- Mr Michael Simpson, General Manager New South Wales and AIS
- Ms Karen Knight, General Manager Queensland and Northern Territory
- Ms Linda Hornsey, General Manager Business Transformation
- Mr John Gow, General Manager People and Culture
- Mr Graeme Craig, General Manager Service Improvement – Business Transformation
- Ms Megan McAlpine, Chief Marketing Officer (appointed 20/1/16)
- Mr Stephen Crook, Acting General Manager Fundraising (Interim appointment 1/2/16)
- Ms Kristy Simpson, Communications Director (appointed 15/2/16)
- Ms Jan Chisholm, General Manager Fundraising (resigned 29/1/16)
- Cameron Smith, CIO (appointed 1/7/15, resigned 15/3/16)
- Ms Maryanne Diamond, General Manager, Advocacy and Engagement (resigned 20/11/15)

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

	2016 $	2015 $
Short term employee benefits	2,402,144	2,254,345
Post-employment benefits	209,031	193,313
Other long-term employee benefits	364,207	374,455
	2,975,382	2,822,113

25.1 Parent entity

The parent entity of the Group is Vision Australia Limited.

25.2 Ownership interest in related parties

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

Notes to the Financial Statements for the year ended 30 June 2016

25.3 Loan disclosures

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

25.4 Director transactions

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

Note 26: 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	
		2016 %	2015 %
Parent entity			
Vision Australia Ltd	Australia		
Subsidiaries			
Vision Australia Foundation	Australia	100%	100%
Vision Australia Trust	Not incorporated	100%	100%
RVIB Foundation (Charitable Trust)	Not incorporated	100%	100%
Seeing Eye Dogs Australia Pty Limited	Australia	100%	100%
5RPH Pty Ltd (i)	Australia	100%	-
6RPH Pty Ltd (i)	Australia	100%	-

(i) During the financial year two new wholly owned subsidiaries were established, 5RPH Pty Limited and 6RPH Pty Limited

Note 27: Parent entity disclosures

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

	2016 $'000	2015 $'000
(Deficit) / surplus of the parent entity		
(Deficit) / surplus for the year (i)	(75,998)	868
Total comprehensive (deficit) / surplus for the year	(66,413)	9,903
Financial position of the parent entity		
Current Assets (i)	17,197	107,285
Total Assets (ii)	55,455	121,389
Current Liabilities	(19,947)	(17,085)
Total Liabilities (iii)	(21,257)	(14,494)
Net assets	34,198	106,895
Total equity of the parent entity comprising of		
Asset Revaluation Reserve	4,457	4,741
Retained Surplus	29,741	102,154
Total equity attributable to Vision Australia Limited	34,198	106,895

i. During the current financial year, Vision Australia Limited transferred the land and buildings to its wholly owned subsidiary, Vision Australia Trust, for $78,435,000. The transfer of assets is recognised as a donation expense in the parent entity.

ii. Included in total assets are amounts owing by wholly owned subsidiary company, Vision Australia Trust of $5,098,000 (2015: $3,947,000). The amount owing is classified as non- current asset as the parent entity will not recall the loan in the next 12 months.

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

Notes to the Financial Statements for the year ended 30 June 2016

Note 28: Remuneration of auditors

	2016 $	2015 $
Audit of the Financial Report	89,250	87,500
Audit of grant and lottery returns	101,871	55,999
Non audit services (i)	-	39,000
	191,121	182,499

The auditor of the Group is Deloitte Touche Tohmatsu

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

Note 29: Acquisition of businesses

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

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.

	2016 $'000	2015 $'000
Net surplus from fundraising appeals	12,557	14,990
Net surplus from bequests	27,360	16,000
Grant income	34,615	36,061
Investment income	6,528	5,709
Gain on disposal of assets	37	6,235
Sales and fee income	7,618	7,150
Miscellaneous income	1,297	1,050
	90,012	87,195
Applied to charitable purposes		
Cost of client and library and information services	(70,908)	(65,644)
Applied to organisation and management		
Cost of corporate services	(6,352)	(7,196)
Cost of marketing services	(1,506)	(1,609)
Restructure redundancy costs, net	1,278	(1,789)
Impairment of available for sale investments	-	(244)
Impairment on non-current assets	-	(453)
	(6,580)	(11,291)
Net surplus	12,524	10,259

Note 30: Information required by the Charitable Fundraising Act 1991 (NSW) (cont'd)

	2016 $'000	**2016 %**	2015 $'000	2015 %
Total cost of fundraising/gross income from fundraising (excluding bequests)	12,277/ 24,834	49	11,244/ 26,233	43
Net surplus from fundraising / gross income from fundraising (excluding bequests)	12,557/ 24,834	51	14,990/ 26,233	57
Total cost of services / total expenditure (i)	70,908/ 91,498	77	65,644/ 85,826	76
Adjusted Total costs of services / total income received (ii)	70,908/ 96,906	73	65,644/ 92,877	71

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

(ii) In arriving at total income received, adjustments have been made to exclude a large one-off bequest of $5.8M received in FY16.

Notes to the Financial Statements for the year ended 30 June 2016

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

	2016 $'000	2015 $'000
Fundraising income	24,834	26,233
Less fundraising expenses:		
Salaries and wages	(1,980)	(1,546)
External Fundraising Agencies	(5,106)	(4,230)
Consulting fees	(58)	(37)
Legal fees	(3)	(15)
Other fundraising expenses	(5,188)	(5,415)
	(12,277)	(11,243)
Net surplus from fundraising appeals	12,557	14,990
Bequest income	27,815	16,674
Less bequest expenses:		
Salaries and Wages	(383)	(353)
Legal Fees	(25)	(116)
Other Bequest Expenses	(47)	(205)
	(455)	(674)
Net surplus from Bequests	27,360	16,000
Net surplus from fundraising appeals and bequests	39,917	30,990

Note 32: Restructuring Costs

	2016 $'000	2015 $'000
Termination Benefits *	1,278	(1,789)
	1,278	(1,789)

* Termination benefit includes reversal of provision for redundancy from prior financial year.

Note 33: Subsequent events

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

Directors' declaration

The directors declare that:

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

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

On behalf of the Directors

Andrew Moffat
Director
31 August 2016

Sara Watts
Director
31 August 2016

Executives' declaration

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

a. In the executives' opinion, there are reasonable grounds to believe that the consolidated entity and company will be able to pay its debts as and when they become due and payable; and

b. In the executives' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and in compliance with the Charitable Fundraising Act 1991, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Ron Hooton
Chief Executive Officer
31 August 2016

David Speyer
Chief Financial Officer
31 August 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0)3 9671 7001
www.deloitte.com.au

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

31 August 2016

Dear Board Members,

Vision Australia Limited

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

As the lead audit partner for the audit of the financial statements of Vision Australia Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely,

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants
Melbourne

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (03) 9671 7001
www.deloitte.com.au

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 2016, 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 15 to 52. In addition, we have audited Vision Australia Limited's compliance with specific requirements of the Charitable Fundraising Act 1991, Charitable Fundraising Act 1991(NSW) and Charitable Collections Act (1946) [Section 15] WA (collectively referred to as the "Charitable Fundraising Acts") for the year ended 30 June 2016.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's compliance with specific requirements of the *Charitable Fundraising Acts* and the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the entity has complied with specific requirements of the *Charitable Fundraising Acts* and the financial report is free from material misstatement.

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

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Inherent Limitations

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

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

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

Opinion

In our opinion:

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

> (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
>
> (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and *Division 60* of the *Australian Charities and Not-for-profits Commission Regulations 2013*;

(b) the financial report agrees to the underlying financial records of Vision Australia Limited, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Acts* and its regulations for the year ended 30 June 2016; and

(c) monies received by Vision Australia Limited, as a result of fundraising appeals conducted during the year ended 30 June 2016, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Acts* and its regulations.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants
Melbourne, 31 August 2016