

VISABILITY LIMITED
(Formerly Association for the Blind of Western Australia
Incorporated)

ABN 11 157 291 960
ACN 604 293 209

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

VISABILITY LIMITED

Directors Report

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

The following persons were directors of VisAbility Limited during the period and up to the date of this report:

Debbie Schaffer OAM (President and Chairperson)
David Craig (Vice President) - resigned on 30/06/2016
David Bevan (Vice President)
David Ligovich (Treasurer and Company Secretary)
Ian Blackburn – term expired on 22/10/2015
Jennifer Dawson
Lorraine Driscoll
Prof Iain Murray AM
Helen Smith OAM
Lana Thompson
Kym Georgiou appointed on 22/10/2015
Sue Shoobridge appointed on 01/07/2016
Scott Marston appointed on 01/07/2016

Vision

That people who are blind or vision impaired share a quality of life equal to other Western Australians.

Mission

To maximise the quality of life of people who are blind or vision impaired by building confidence, promoting wellness, and creating connection.

Principal activities

Consistent with its Objectives, during the financial year the principal continuing activities of the company were:

- establishing, financing and maintaining facilities and services to enable people who are blind and vision impaired to maximise their quality of life as members of the general community;
- providing services which develop skills, promote wellbeing, independence and community participation, and which facilitate access to services and information for people who are blind or vision impaired;

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- conducting community education and advocacy programs in consultation with Members and clients of the Company and with or independently of government and other organisations designed to create an environment free of social, attitudinal, institutional and physical barriers for people with vision impairments; and
- promoting a policy of affirmative action for people who are blind or vision impaired.

Objectives

The company has developed seven strategic objectives, in which our Vision and Values are fundamentally aligned. These strategic objectives will be key drivers in achieving successful outcomes for our consumers and their families who are an integral part of VisAbility. The objectives are as follows:

- **Partnerships:** To strengthen and build strategic partnerships that promote better outcomes for our consumers.
- **Innovation:** To work with the energy of creativity, innovation and entrepreneurialism.
- **Consumer-Driven and People Focused Centred:** To provide consumers with choice and control through consumer centred practice.
- **Technology:** To invest in appropriate integrated technologies that will support the organisation's transformation and the consumers' independence.
- **Unique Defining Brand:** To develop a unique and defining brand that embraces our past, values our present and plans for a sustainable future.
- **Regulatory Standards:** To provide assurance and confidence to our stakeholders, of our service excellence and organisational integrity.
- **Economic Viability:** To sustain and maintain economic viability by securing our current revenue base, creating new revenue streams for sustainable outcomes and managing costs effectively.

Strategy for achieving the objectives

To achieve these objectives the company has prepared a detailed strategic plan to identify the opportunities and strengths of the company to provide sustainable services. The strategic plan focuses on the 7 strategic objectives and defines how the objectives will be achieved and how their success will be measured.

Performance measures

The following measures are used within the company to monitor performance

- Service outcome measures including referrals, service events and guide dog placements
- Financial measures including surplus compared to budget, cash flows compared to budget and current ratio.

Information on directors

Name: Debbie Schaffer OAM
Title: Non-Executive Chair

Experience and expertise:

Debbie has been a member of the Board since 2005 and was elected as President in 2009. Debbie and her family have been generous benefactors to VisAbility and she took on a very significant role on the Major Gifts Committee of the Association's 'Building our Vision Campaign'. Debbie has also been actively involved in the Ear Science Institute Capital Campaign and to date has provided leadership in raising \$8 million for the development of a new Ear Science Institute. Debbie is a Director of the Schaffer Group of Companies.

Special responsibilities:

Member of the Board Audit and Risk Committee

Name: David Bevan
Title: Non-Executive Vice-Chair

Experience and expertise:

David has over 30 years' experience in the development and growth of businesses in the human resources and human services sector. For 14 years, he was the Managing Director of PVS Workfind; one of

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Australia's leading and most successful employment service providers. For the past eight years, David has held a Non-Executive Director role in a recruitment and employment services company in Australia and the UK. David currently manages a private investment trust. He joined the Board of VisAbility Limited in 2009.

Special responsibilities:

Member of the Board Audit and Risk Committee

Name: David Craig (resigned on 30/06/2016)

Title: Former Non-Executive Vice-Chair

Experience and expertise:

David is an experienced Chairman and Director with an extensive background in business and law. Amongst other positions, David has worked as a legal partner and a stock broker. Over the past seven years he is or has been a Non-Executive Director or Non-Executive Chair of nine ASX listed public companies in the legal, resources, construction and financial sectors as well as five not-for-profit organisations. David joined the Board of VisAbility Limited in 2007.

Special responsibilities:

Member of the Board Audit and Risk Committee

Name: David Ligovich

Title: Non-Executive Treasurer and Company Secretary

Experience and expertise:

David is currently the Chief Financial Officer of Silver Chain Group. As a Chartered Accountant with over 25 years' experience, 11 years internationally with multi-national and global organisations, he has held a variety of responsibilities and roles including Auditor (external and internal), Financial Controller and Chief Financial Officer. David joined VisAbility's Finance and Audit Committee and the Board in 2010 and was appointed as Company Secretary on 17/02/2016.

Special responsibilities:

Chair of the Board Audit and Risk Committee

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Name: Ian Blackburn (resigned on 22/10/2015)

Title: Former Non-Executive Director

Experience and expertise:

Ian is a VisAbility client and volunteer. He has served on the Board of Blind Citizens WA and has been an observer member of the Board of the Boys' Brigade Western Australia. Ian has a particular interest in education and employment for people who are blind or vision impaired; his own Masters studies focused on interface design for Braille computer devices. He joined the Board of VisAbility Limited in 2012.

Special responsibilities:

None

Name: Jennifer Dawson

Title: Non-Executive Director

Experience and expertise:

Jennifer is totally blind, and with her husband, who is also blind, has raised two children to adulthood. Jennifer has a wealth of experience in access and advocacy. She has held positions on several disability access advisory committees including transport, local government and at VisAbility. Jennifer joined the Board of VisAbility Limited in 2012.

Special responsibilities:

None

Name: Lorraine Driscoll

Title: Former Non-Executive Director

Experience and expertise:

Lorraine is a member of the Chartered Institute of Management Accountants, a Certified Global Management Accountant and an Associate Member of the Australian Institute of Company Directors. Lorraine has proven experience and track record in senior executive positions including Financial Controller for the Body Shop (Ireland) and General Manager positions within Lotterywest. She is currently Director: Corporate and Strategy for the City of Nedlands. Lorraine joined the Board of VisAbility Limited in 2011.

Special responsibilities:

None

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Name: Prof Iain Murray AM
Title: Non-Executive Director

Experience and expertise:

Iain is Senior Lecturer in the Department of Electrical & Computer Engineering at Curtin University. Iain's research at Curtin involves development of assistive technology to facilitate learning and literacy for people who are blind and vision impaired. Iain is the founder of the Curtin University Centre for Accessible Technology (CUCAT). Iain joined the Board of VisAbility Limited in 2010.

Special responsibilities:

None

Name: Helen Smith OAM
Title: Non-Executive Director

Experience and expertise:

Helen has over 20 years' experience in the eye health industry. Helen was involved in the establishment of, and was a former Director of the Eye Surgery Foundation (Australia) Pty Ltd. Helen is a Fellow Australian Institute of Management, and a Paul Harris Fellow. Helen joined the Board of VisAbility Limited in 2009.

Special responsibilities:

None

Name: Lana Thompson
Title: Non-Executive Director

Experience and expertise:

Lana worked at a major stock firm in Perth prior to attending UWA gaining her Bachelor of Arts degree in British History and English. Lana has been on a number of committees and executive bodies relating to the area of blind welfare. Lana joined the Board of VisAbility Limited in 2010.

Special responsibilities:

None

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Name: Kym Georgiou
Title: Non-Executive Director

Kym Georgiou brings to the Board her extensive experience as a speech pathologist. In the mental health and disability sectors, through a range of allied health positions, Kym has worked with adults, adolescents and children in hospital and clinic settings as well as private practice. Kym is a Churchill Scholar, a published researcher and has been a member of the Board of Huntingdon's WA. Kym is passionate about supporting and advocating for services that improve the quality of life of children, adolescents and adults with a disability. Kym joined the Board of VisAbility Limited on 22/10/2015

Special responsibilities:
None

Name: Sue Shoobridge
Title: Non-Executive Director

Sue Shoobridge was appointed to the board in July 2016 following the merger of Guide Dogs Tasmania with VisAbility. She has been a member of the Guide Dogs Tasmania board since August 2013 and President since February 2015. She is now retired, but during her employment prior to 2015 held executive financial management roles in the finance, agribusiness and government business enterprise sectors. Sue is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors. She is also a member and Vice President of the Tasmanian Divisional Council of CPA Australia.

Special responsibilities:
None

Name: Scott Marston
Title: Non-Executive Director

Scott Marston was appointed to the VisAbility Board in July 2016 following the merger of Guide Dogs Tasmania with VisAbility. Scott has been a member of the Guide Dogs Tasmania Board since December 2012 and Vice President since February 2015. Scott is currently Deputy Secretary with the Tasmanian State Government Department of Premier and Cabinet and before that, was the General Manager of the Institute for Marine and Antarctic Studies with the

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University of Tasmania. Scott has a Bachelor of Business Degree and holds post graduate qualifications in Project Management and Franchising.

Special responsibilities:

None

Meetings of Directors

During the financial year, 7 meetings of directors were held.

Attendances by each director are as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Debbie Schaffer OAM	7	7
David Craig (resigned 30/06/2016)	7	5
David Bevan	7	6
David Ligovich	7	7
Ian Blackburn (resigned 22/10/2015)	3	3
Jennifer Dawson	7	7
Lorraine Driscoll	7	4
Prof Iain Murray AM	7	7
Helen Smith OAM	7	3
Lana Thompson	7	7
Kym Georgiou (appointed on 22/10/2015)	5	4
Sue Shoobridge (appointed on 01/07/2016)	1	1
Scott Marston (appointed on 01/07/2016)	1	1

Contributions on winding up

In the event of the company being wound up, each member is required to contribute a maximum of \$1.00 each.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

VISABILITY LIMITED

On behalf of the directors



Debbie Schaffer OAM
President

Dated this 7th day of OCTOBER 2016
Perth, Western Australia

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Entity

This financial report is prepared in Australian Dollars and covers VisAbility (Limited), formerly known as "VisAbility (Incorporated)" and previously the "Association for the Blind of Western Australia (Incorporated)", a public company limited by guarantee under the Corporations Act 2001 of Western Australia.

VisAbility Limited is a not for profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7th day of OCTOBER 2016.

Registered Office

61 Kitchener Avenue, Victoria Park, Western Australia 6100

VISABILITY LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Revenue	2	7,866,575	7,490,136
Other Income	2	4,631,690	5,820,119
Total Revenue		12,498,265	13,310,255
Costs of sales		(698,928)	(942,795)
Employee benefits expense		(8,033,383)	(6,809,052)
Rent, rates and property		(598,786)	(611,650)
Community education and fund raising expenses		(293,382)	(227,468)
Vehicle and transport costs		(137,543)	(138,632)
Depreciation and amortisation expense	3	(924,295)	(585,938)
Computer and communications costs		(246,647)	(257,549)
Office expenses		(516,952)	(413,561)
Service delivery expenses		(1,524,866)	(1,278,020)
Other expenses		(147,441)	(38,760)
Surplus / (deficit) from operations		(623,958)	2,006,830
Other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		(623,958)	2,006,830
Surplus/ (deficit) attributable to the members of the entity		(623,958)	2,006,830

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes set out on pages 15 to 34.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	6,256,602	7,290,769
Trade and other receivables	5	367,966	45,781
Inventories	6	110,700	78,226
Total Current Assets		6,735,268	7,414,776
NON CURRENT ASSETS			
Property, plant and equipment	7	15,194,516	15,280,436
Total Non-current Assets		15,194,516	15,280,436
Total Assets		21,929,784	22,695,212
CURRENT LIABILITIES			
Trade and other payables	8	2,560,724	2,652,139
Provisions	9	736,153	639,304
Total Current Liabilities		3,296,877	3,291,443
NON CURRENT LIABILITIES			
Provisions	10	436,857	583,761
Total Non-current Liabilities		436,857	583,761
Total Liabilities		3,733,734	3,875,204
NET ASSETS		18,196,050	18,820,008
EQUITY			
Retained surpluses		18,196,050	18,820,008
TOTAL EQUITY		18,196,050	18,820,008

The above statement of financial position should be read in conjunction with the accompanying notes set out on pages 15 to 34.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Retained surplus at the beginning of the financial year	18,820,008	16,813,178
Net (deficit) / surplus attributable to VisAbility's ongoing activities for the year	(623,958)	2,006,830
Retained surplus at the end of the financial year	18,196,050	18,820,008

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 15 to 34.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from governments (exclusive of goods and services tax)		6,666,824	6,317,905
Receipts from customers (exclusive of goods and services tax)		680,794	1,452,642
Bequests and fund raising		3,650,819	4,583,137
Other operating income		945,807	1,194,992
Interest received		137,812	129,500
Payments to suppliers and employees		(12,299,653)	(10,493,555)
Net cash inflow / (outflow) from operating activities		(217,597)	3,184,621
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,403,296)	(2,084,014)
Proceeds from sale of property, plant and equipment		586,726	696,887
Net cash (outflow) from investing activities		(816,570)	(1,387,127)
Net increase/(decrease) in cash and cash equivalents		(1,034,167)	1,797,494
Cash and cash equivalents at the beginning of the financial year		7,290,769	5,493,275
Cash and cash equivalents at the end of the financial year	4	6,256,602	7,290,769

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 15 to 34.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not for Profit Commission Act 2012. A Statement of Compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') cannot be made due to VisAbility applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The directors have determined that VisAbility Limited is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the directors have early adopted AASB 1053 and AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 July 2010.

The financial report has been prepared on an accrual basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumption on historical experience and on other various factors, including expectations of future events, management believes to

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

VisAbility Limited determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1 (m), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account

Income received in advance

A liability is raised for income received in advance where grants or donations are received with conditions attached that specify the areas the money shall be spent or services which must be delivered that must be fulfilled. As and when the services and conditions are met the corresponding income is recognised.

(b) Revenue Recognition

Revenue from the sale of goods and services is recognised upon the delivery of the goods or services to customers, and when it is probable that the economic benefit will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from bequests and donations is not brought to account until the organisation is virtually certain of the income and of compliance with all attached conditions, if any.

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and VisAbility will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase of plant and equipment or redevelopment of land and buildings are credited to the statement of profit or loss and other comprehensive income.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Income Tax

VisAbility is exempt from payment of income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor and not the organisation as lessee, are charged as expenses in the periods in which they are incurred.

Lease income from operating leases where the organisation is a lessor is recognised in income on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

(e) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. These are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and Cash Equivalents

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

(g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is established when there is objective evidence that VisAbility will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor,

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of the discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within costs of sales. When a trade receivable for which an impairment allowance had been recognised, becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(h) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(i) Property Plant and
Equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to VisAbility and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of profit or loss and other

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

comprehensive income during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Equipment Funded by Grants	1 year
Loan Equipment	1 year
Motor Vehicles	5 years
Plant and Equipment	5 years
IT Hardware	3 years
IT Software	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to VisAbility prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

redemption amount, is recognised in the statement of comprehensive income over the period of the borrowing, using the effective interest method.

(l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Employee Benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date' are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and the probability of employees reaching the required period of service to take long service leave.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Rounding of Amounts

Amounts in the financial report have been rounded off to the nearest dollar.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) New, revised or amending Accounting Standards and Interpretations Adopted

VisAbility Limited has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Standard Name	Effective date for entity	Requirements
AASB 16 Leases	1 st January 2019	This standard will replace the current accounting requirements applicable to leases in AASB 17: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirements to be classified as operating or finance leases.
AASB 15 Revenue from Contracts with Customers	1 st January 2018	The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
2. Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
Commonwealth Government funding	1,811,315	1,484,858
State and Local Government funding	4,927,728	4,592,589
	6,739,043	6,077,447
Other Revenue:		
Interest received	137,812	129,500
Telephone and technology sales	989,720	1,283,189
	1,127,532	1,412,689
Total Revenue	7,866,575	7,490,136
Other Income		
Fundraising income, donations and bequests	3,650,819	4,583,137
Profit on disposal of plant and equipment	21,806	41,990
Other income	959,065	1,194,992
Total Other Income	4,631,690	5,820,119
Total Revenue and other income	12,498,265	13,310,255

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
3. Expenses		
The (deficit)/surplus from operations includes the following specific expenses:		
Depreciation		
Depreciation of motor vehicles, plant and equipment	421,840	202,439
Depreciation of buildings	502,455	383,499
Total depreciation	924,295	585,938
Finance costs		
Interest and finance charges	-	-
Rental expenses relating to operating leases		
Minimum lease payments	31,920	20,727
	2016	2015
	\$	\$
4. Cash and Cash Equivalents		
Cash at bank	2,386,885	3,977,458
Cash on hand	3,600	4,050
Deposits	3,866,117	3,309,261
Total cash and cash equivalents	6,256,602	7,290,769
	2016	2015
	\$	\$
5. Trade and Other Receivables		
Trade receivables	168,842	91,097
Less: Provision for impairment of receivables	(53,229)	(59,295)
	115,613	31,802
Prepayments	23,461	470
Other receivables	228,892	13,509
	367,966	45,781

VISABILITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

(a) Impaired trade receivables

As at 30 June 2016, VisAbility's current trade receivables with a nominal value of \$25,096 (2015: \$6,593) were impaired. No additional provision was expensed. The individually impaired receivables relate to amounts overdue by more than three months. A portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	2016	2015
	\$	\$
Over 3 months	25,096	6,593

Movements in the provision for impairment of receivables are as follows:

	2016	2015
	\$	\$
At 1 July	59,295	64,434
Provision for impairment recognised during the year	-	-
Receivables written off during the year as uncollectible	(6,066)	(5,139)
Total provision for impairment of receivables	53,229	59,295

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

VISABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

(b) Past due but not impaired

As of 30 June 2016, trade receivables of \$45,307 (2015: \$43,711) were past due but not impaired. These relate to customers and clients for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016	2015
	\$	\$
1 to 3 months	22,175	37,118
Over 3 months	23,132	6,593
	45,307	43,711

	2016	2015
	\$	\$
6. Inventories		
Finished goods	110,700	94,072
Provision for impairment of inventories	-	(15,846)
	110,700	78,226

Inventories recognised as an expense during the year to 30 June 2016 amounted to \$484,593 (2015: \$732,110).

VISABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
7. Property, Plant and Equipment		
Land and buildings		
At cost	17,666,191	17,110,362
Less: accumulated depreciation	<u>(4,169,036)</u>	<u>(3,623,004)</u>
	13,497,155	13,487,358
Plant, furniture & equipment at cost	2,585,261	2,747,343
Less: accumulated depreciation	<u>(1,555,716)</u>	<u>(1,309,928)</u>
	1,029,545	1,437,415
Motor vehicles at cost	883,726	545,299
Less: accumulated depreciation	<u>(215,910)</u>	<u>(189,636)</u>
	667,816	355,663
	15,194,516	15,280,436

VISABILITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Movements in the carrying amount for each class of property, plant and equipment between the beginning and the end of the financial year are:

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Opening net book amount	13,487,358	1,437,415	355,663	15,280,436
Additions	4,257	398,206	1,000,832	1,403,295
Transfers between asset classes	507,995	(507,995)	-	-
Disposals	-	(6,743)	(558,177)	(564,920)
Depreciation expense	(502,455)	(291,338)	(130,502)	(924,295)
Closing net book amount	<u>13,497,155</u>	<u>1,029,545</u>	<u>667,816</u>	<u>15,194,516</u>

The building redevelopment undertaken by VisAbility in 2007 was partially funded by Lotterywest. As a consequence VisAbility has entered into a Deed of Trust granting Lotterywest an equitable interest in the property at 61 Kitchener Avenue, Victoria Park, Western Australia and limiting the use of the building to benevolent and charitable purposes. The Deed of Trust expires in May 2028.

	2016	2015
	\$	\$
8. Trade and Other Payables		
Trade payables	268,112	149,409
Income received in advance	1,829,349	1,901,547
Sundry payables	244,204	221,202
Employee benefits	219,059	379,981
	<u>2,560,724</u>	<u>2,652,139</u>

The entire accrual for annual leave is presented as current, since VisAbility does not have an unconditional right to defer settlement.

VISABILITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

However, based on past experience, VisAbility does not expect all employees to take the full amount of accrued leave within the next 12 months.

	2016	2015
	\$	\$
9. Provisions – Current		
Employee benefits – long service and annual leave	736,153	639,304

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since VisAbility does not have an unconditional right to defer settlement. However, based on past experience, VisAbility does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

	2016	2015
	\$	\$
10. Provisions – Non-Current		
Employee benefits – long service leave	436,857	583,761

Analysis of total Provisions	\$
Opening Balance at 1 July 2015	1,223,065
Additional provisions raised during the year	556,290
Amounts used	(606,345)
Balance at 30 June 2016	1,173,010

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Key Management Personnel Disclosures

(a) Directors

The following persons were non-executive members of the Board of the VisAbility during the financial year:

Debbie Schaffer OAM (President and Chairperson)
David Craig (Vice President) - resigned on 30/06/2016
David Bevan (Vice President)
David Ligovich (Treasurer and Company Secretary)
Ian Blackburn – resigned on 22/10/2015
Jennifer Dawson
Lorraine Driscoll
Prof Iain Murray AM
Helen Smith OAM
Lana Thompson
Kym Georgiou - appointed on 22/10/2015

No amounts of remuneration have been paid to Board members during the year.

(b) Other Key Management Personnel

Name	Position
Dr CM Allen	Chief Executive Officer
DJ Barnes	Chief Operating Officer
CA Solosy	Executive Manager Corporate Services
AC Hagan	Executive Manager Philanthropy
M Nota	Chief Financial Officer
K Macliver	Executive Manager Client Services

VISABILITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

(c) Key Management Personnel Compensation

	2016	2015
	\$	\$
Short term employee benefits	983,274	832,675
	983,274	832,675

(d) Other Transactions With Key Management Personnel

Nil.

12. Related Party Transactions

There were no related party transactions, (2015: Nil).

13. Commitments

(a) Capital Commitments

There are no capital commitments at reporting date.

	2016	2015
	\$	\$
(b) Lease Commitments (as Lessee)		
Operating lease commitments for offices, office equipment and kennels		
- not later than 1 year	43,494	51,317
- later than 1 year but not later than 5 years	4,374	64,198
	47,868	115,515
	47,868	115,515

VISABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14. Events Occurring After the Reporting Date

On Friday the 24th June 2016, a Special General Meeting of Royal Guide Dogs for the Blind Association of Tasmania (Guide Dogs Tasmania) was held, where the members agreed to a merger between Royal Guide Dogs for the Blind Association of Tasmania and VisAbility.

The merger will deliver cost savings for VisAbility and Guide Dogs Tasmania through the centralisation of back office and administrative tasks and takes effect from 1st July 2016.

VisAbility will continue providing all existing services currently provided by Guide Dogs Tasmania, and VisAbility will commence providing, within the next 12 months, counselling services, orthoptics and occupational therapy for adults and children in Tasmania.

Effective 1 July 2016, the following assets and liabilities (unaudited) are transferred to VisAbility.

Assets

Cash and cash equivalents	1,782,382
Trade and other receivables	89,558
Other financial assets	3,004,390
Inventory	6,156
Total Assets Transferred	<u>4,882,486</u>

Liabilities

Trade and other payables	77,014
Employee benefits	87,636
Financial liabilities	42,237
Total Liabilities Transferred	<u>206,887</u>
Total Net Assets Transferred	<u>4,675,599</u>

The Guide Dogs Tasmania brand will continue as part of the collaboration, however, this will be licensed to VisAbility. Guide Dogs Tasmania will retain the Land and Buildings and \$500,000 in cash and cash equivalents.

VISABILITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

No other matter or circumstance has arisen subsequent to the reporting date that has significantly affected, or may significantly affect, VisAbility's operations, results or state of affairs in future financial years.

15. Contingent Liabilities

There are no known contingent liabilities at reporting date, (2015: Nil).

STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the Board of Directors of VisAbility Limited:

1. The attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) (a) of the Corporations Act 2001.

On behalf of the directors



Debbie Schaffer OAM, President



David Ligovich FCA, Treasurer

Dated at Perth this 7th day of OCTOBER 2016



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INDEPENDENT AUDITOR'S REPORT

To the members of VisAbility Limited

Report on the Financial Report

We have audited the accompanying financial report of VisAbility Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the entity 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 (*ACNC Act*) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity'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.

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

Independence

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

Basis for Qualified Opinion

Cash donations are a significant source of revenue for VisAbility Limited. VisAbility Limited has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records amounting to \$2,051,042 (2015: \$ 2,101,134). We therefore are unable to express an opinion whether cash donations VisAbility Limited recorded are complete.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of VisAbility Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

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

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 7 October 2016

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF VISABILITY LIMITED

As lead auditor of VisAbility Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 7 October 2016