

Optometry Victoria South Australia Limited

ACN 634 919 994

Annual Report - 30 June 2023

Optometry Victoria South Australia Limited
Directors' report
30 June 2023

Your Directors submit the financial report of Optometry Victoria South Australia Limited for the financial year ended 30 June 2023.

Directors

The names of Directors holding office at the date of this report are:

Elise Pocknee-Clem
 Andrew Anderson
 Simon Hanna

Anne Weymouth
 Stephanie Callisto
 Laura Carson

Timothy Lo
 Cassandra Haines
 Kristin Guppy

Principal Activities

The principal activity of the Company during the financial period was a professional organisation for optometrists in Victoria and South Australia.

Short Term Objectives

We will support the delivery of better eye health and vision outcomes for the Victorian and South Australian communities through the delivery of our Strategic Plan 2021-24.

Long Term Objectives

To lead, engage and promote optometry, optometrists, and community eye health.

Strategies

All short- and long-term objectives are contained with the OV/SA Strategic Plan 2021-24 which is a published document available for all members to provide clarity on the company's objectives.

Directors 2022/23

Elise Pocknee-Clem	Anne Weymouth	Timothy Lo
Andrew Anderson (from November 2022)	Stephanie Callisto	Cassandra Haines
Simon Hanna (from November 2022)	Laura Carson	Kristin Guppy
Allison McKendrick (until November 2022)	Jason Tan (until 12 August 2022)	

Name	Qualification	Experience
Elise Pocknee-Clem	Bachelor Applied Science (Optometry) Postgraduate Certificate Ocular Therapeutics Governance training – AICD CASA credentialed	Former Director OSA Board, with five years as OSA President Current President of OV/SA Board (from July 2019 to present) Director on Navigator College Board (School Board) since 2014 and have held the position of chair from 1/1/20 to current Practised optometry from 1/1/93 to current
Anne Weymouth	Bachelor of Optometry Doctor of Philosophy Graduate Certificate Ocular Therapeutics Fellow ACO	A member of the International Society for Clinical Electrophysiology of Vision, a Credentialed Optometrist for CASA and a Fellow of the Department of Optometry and Vision Sciences at the University of Melbourne, the Royal Victorian Eye and Ear Hospital and the Australian College

Name	Qualification	Experience
		of Optometry. Anne works as a consultant electrophysiologist in private ophthalmology practice and as a sole practitioner in an independent optometry setting. She has research experience in electrophysiology and psychophysics, including overseas training in paediatric electrophysiology at the Children's Hospital, Harvard, Boston and in Lyon, France. She also consults in occupational assessments of visual function and supervises postgraduate research in the University of Melbourne's Department of Ophthalmology.
Timothy Lo	Bachelor of Science (Honours) Bachelor of Optometry Postgraduate Certificate of Ocular Therapeutics - University of Melbourne	Treasurer of OV/SA Board Chair of OV/SA CPD Committee Chair of OV/SA Audit and Risk Committee Managing Director of three independent practices
Andrew Anderson	BSc(Optom) MSc(Optom) PhD Postgraduate Certificate in Ocular Therapeutics Certified Community Director: Unit I (Governance Foundations), Institute of Community Directors	Teaching and Research Academic in the Department of Optometry and Vision Sciences, The University of Melbourne (2005-present); this appointment has included various committee chairing roles OV/SA CPD Committee member (2013-present) Accreditation Committee Member, The Optometry Council of Australia and New Zealand (OCANZ), 2016-2017; Deputy Chair, 2017-present
Stephanie Callisto	Bachelor of Medical Science (Vision Science), Master of Optometry	OV/SA Director Member of OV/SA Board Audit and Risk Committee ECOVSA Committee member ECOSA Committee member Student observer on OSA Board Co-president of the Student Society at Flinders University for three years Lecturer at Flinders University Workin in ophthalmology clinics since 2020 in areas of paediatric and vitreoretinal disease
Cassandra Haines	Bachelor of Vision Science (Optometry) Master of Optometry Commenced PhD AICD membership Certified Optometrist	OV/SA Director ECO chair of OSA and former Director on OSA board Helped to develop the ECOVSA Committee Strategic Program and Policy Advisor for Optometry Australia Lecturer at Flinders University Member of the South Australian Paediatric Clinical Pathways Working Group

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Name	Qualification	Experience
Simon Hanna	Graduate Certificate in University Teaching (2011) Graduate Certificate in Ocular Therapeutics (2006-2007) Postgraduate Diploma in Advanced Clinical Optometry (2006) Health Sector Leadership Program (Victoria)	OV/SA Director Member of OV/SA Board Audit and Risk Committee 2023 - current National Professional Services Manager, Bausch and Lomb Clinical Teaching Instructor (University of Melbourne) - 5 years Member of the Professional Services Review – Department of Health Policy Manager and Head of Education (Optometry Australia) - 9 years
Laura Carson	Bachelor of Vision Science, Master of Optometry Therapeutically Endorsed Optometrist Governance for Directors - AICD	OV/SA Director (2021 joined as an Associate Director and later that year transitioned to Board Director) Established the inaugural Deakin Optometry Student Society in 2012 and served roles as Treasurer, Secretary, and President over 3 years Student advisor to Deakin Optometry Board whilst at University 2012-2015 Upon graduation asked to start Young Optometrists Vic which then became ECOVSA, served as a Committee member from 2015-2020
Kristin Guppy	Bachelor of Applied Science in Optometry Graduate Certificate in Ocular Therapeutics Foundations of Directorship Course - AICD	OV/SA Director since November 2021 Member of OV/SA Board Audit and Risk Committee 2022 - current Optometrist and Director of my own practice, Murray Bridge Optometry
Allison McKendrick	Bachelor of Science (Optometry) Master of Science (Optometry) Doctor of Philosophy Postgraduate Certificate Ocular Therapeutics	OV/SA Director Previous OV nominee on the National Optometry Board Professor of Optometry & Vision Sciences at the University of Melbourne
Jason Tan	Bachelor of Optometry - University of Melbourne	OV/SA Director Commenced with OV 2018 and continued following the amalgamation with South Australia. Optometry Director for SpecSavers Wangaratta and Benalla ECOV Committee and community groups in Wangaratta

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Meetings of Directors

During the financial period, 6 meetings of Directors were held which included board meetings, strategic planning meetings and the AGM. Attendances by each director during the period were as follows:

Director	Meeting eligible to attend	Attended
Elise Pocknee-Clem	6	6
Anne Weymouth	6	6
Timothy Lo	6	6
Stephanie Callisto	6	6
Laura Carson	6	6
Cassandra Haines	6	6
Kristin Guppy	6	6
Andrew Anderson	4	4
Simon Hanna	4	4
Allison McKendrick	3	2
Jason Tan	1	0

Events After the Reporting Period

Our members voted at a General Meeting on 18 July 2023 for OV/SA to proceed with an operational merge with our national office, Optometry Australia (OA) ABN 17 004 622 431. A Services Agreement and Asset Transfer Agreement between OA and OV/SA outlines all the details of the arrangement and is due to be signed in October 2023. OV/SA will continue as an entity with a board, whose primary duty will be to will monitor OA's performance against the Agreement. Operations are due to be handed over to OA on 1 November 2023, including cash on hand, staff and other assets necessary to deliver on the Agreement. 28 Drummond St Carlton will remain the property of OV/SA and will be let to OA for a peppercorn rent. Invested funds will remain the property of OV/SA and will be managed by OA with OV/SA's investment manager. OV/SA's income will continue to be used to deliver services to our members, delivered by OA on our behalf. Due diligence in relation to these arrangements was completed prior to putting the proposal to our members.

Limitation of Members' Liability

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$3,568.

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 page 5.

Signed in accordance with a resolution of the Directors.



Director _____



Director _____

On this 22 day of August 2023

To the Board of Directors of Optometry Victoria South Australia Limited

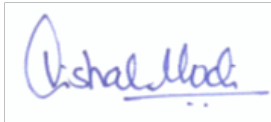
Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit director for the audit of the financial statements of Optometry Victoria South Australia Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Dated this 22 day of August 2023

Optometry Victoria South Australia Limited

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General information

The financial statements cover Optometry Victoria South Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Optometry Victoria South Australia Limited's functional and presentation currency.

Optometry Victoria South Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2023. The directors have the power to amend and reissue the financial statements.

Optometry Victoria South Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Total revenue and other income	3	3,643,991	3,076,858
Expenses			
Employee benefits expense		(641,743)	(658,825)
Superannuation		(62,454)	(58,814)
Depreciation and amortisation expense		(44,186)	(41,561)
Loss on disposal of assets		(697)	(26)
Events related expenses		(287,910)	(111,635)
Property expenses		(69,729)	(71,164)
IT and computer expenses		(39,318)	(24,887)
Capitation fees		(1,955,064)	(1,630,754)
Legal and accounting fees		(79,791)	(56,705)
Other expenses		(330,107)	(197,505)
Surplus before income tax expense		132,992	224,982
Income tax expense		-	-
Surplus after income tax expense for the year		132,992	224,982
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		-	1,188,844
Change in tax rate of deferred tax liability recognised on revaluation of land and building		-	123,619
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		13,991	(160,201)
Other comprehensive income for the year, net of tax		13,991	1,152,262
Total comprehensive income for the year		<u>146,983</u>	<u>1,377,244</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Optometry Victoria South Australia Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,894,187	3,014,149
Trade and other receivables	5	30,825	42,709
Other assets	6	70,125	98,212
Total current assets		<u>3,995,137</u>	<u>3,155,070</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	7	862,139	840,067
Property, plant and equipment	8	<u>6,579,472</u>	<u>6,620,696</u>
Total non-current assets		<u>7,441,611</u>	<u>7,460,763</u>
Total assets		<u>11,436,748</u>	<u>10,615,833</u>
Liabilities			
Current liabilities			
Payables	10	405,668	350,139
Contract liabilities	11	3,219,249	2,531,118
Provisions	12	<u>48,204</u>	<u>117,236</u>
Total current liabilities		<u>3,673,121</u>	<u>2,998,493</u>
Non-current liabilities			
Deferred tax	14	1,014,377	1,014,377
Provisions	15	<u>8,157</u>	<u>8,853</u>
Total non-current liabilities		<u>1,022,534</u>	<u>1,023,230</u>
Total liabilities		<u>4,695,655</u>	<u>4,021,723</u>
Net assets		<u>6,741,093</u>	<u>6,594,110</u>
Equity			
Reserves		3,177,225	3,163,234
Retained surpluses		<u>3,563,868</u>	<u>3,430,876</u>
Total equity		<u>6,741,093</u>	<u>6,594,110</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Optometry Victoria South Australia Limited
Statement of changes in equity
For the year ended 30 June 2023

	Asset revaluation reserve \$	Investment revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	1,944,334	66,638	3,205,894	5,216,866
Surplus after income tax expense for the year	-	-	224,982	224,982
Other comprehensive (loss)/income for the year, net of tax	1,312,463	(160,201)	-	1,152,262
Total comprehensive (loss)/income for the year	1,312,463	(160,201)	224,982	1,377,244
Balance at 30 June 2022	<u>3,256,797</u>	<u>(93,563)</u>	<u>3,430,876</u>	<u>6,594,110</u>
	Asset revaluation reserve \$	Investment revaluation reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	3,256,797	(93,563)	3,430,876	6,594,110
Surplus after income tax expense for the year	-	-	132,992	132,992
Other comprehensive income for the year, net of tax	-	13,991	-	13,991
Total comprehensive income for the year	-	13,991	132,992	146,983
Balance at 30 June 2023	<u>3,256,797</u>	<u>(79,572)</u>	<u>3,563,868</u>	<u>6,741,093</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Optometry Victoria South Australia Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		4,766,377	3,321,874
Payments to suppliers and employees		(3,885,535)	(3,126,177)
Interest received		10,936	1,303
Net cash from operating activities		891,778	197,000
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(3,659)	(43,100)
Payment for financial assets (net)		(8,081)	(62,391)
Net cash used in investing activities		(11,740)	(105,491)
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		880,038	91,509
Cash and cash equivalents at the beginning of the financial year		3,014,149	2,922,640
Cash and cash equivalents at the end of the financial year	4	<u>3,894,187</u>	<u>3,014,149</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grants

Grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The company is a non-profit organisation for the purposes of the Income Tax Assessment Act. The company is, however, liable for income tax on its non-member income, as member income is excluded from income tax under the principle of mutuality.

Note 1. Significant accounting policies (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period.

Current and deferred tax expense/ (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, and their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 1. Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5 %
Plant and equipment	11-67%

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

Building improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Software is measured at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight line basis over the useful life to the company commencing from the time the asset is available for use. The amortisation rate used for software is 25-40%. The software's fair value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of software is reviewed annually by Directors to ensure it is not in excess of the fair value of the asset.

Impairment of non-financial assets

Non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the 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 judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation 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.

Impairment of property, plant and equipment

The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, 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.

Optometry Victoria South Australia Limited
Notes to the financial statements
30 June 2023

Note 3. Revenue and other income

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Membership subscriptions	3,207,520	2,806,754
Sponsorships, events and other income	260,503	124,799
Total revenue from contracts with customers	<u>3,468,023</u>	<u>2,931,553</u>
<i>Other income</i>		
Rental income and room hire	125,698	118,340
Distributions and rebates income	39,334	25,662
Interest income	10,936	1,303
Total other income	<u>175,968</u>	<u>145,305</u>
Total revenue and other income	<u><u>3,643,991</u></u>	<u><u>3,076,858</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Timing of revenue recognition</i>		
Revenue at a point in time	260,503	124,799
Revenue over time	<u>3,207,520</u>	<u>2,806,754</u>
	<u><u>3,468,023</u></u>	<u><u>2,931,553</u></u>

Note 4. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	3,894,187	2,014,149
Term deposits	<u>-</u>	<u>1,000,000</u>
	<u><u>3,894,187</u></u>	<u><u>3,014,149</u></u>

Note 5. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade and other receivables	23,786	26,530
Accrued Income	<u>7,039</u>	<u>16,179</u>
	<u><u>30,825</u></u>	<u><u>42,709</u></u>

Optometry Victoria South Australia Limited
Notes to the financial statements
30 June 2023

Note 6. Current assets - other assets

	2023	2022
	\$	\$
Prepayments	36,864	65,001
Rental Bond	33,261	33,211
	<u>70,125</u>	<u>98,212</u>

Note 7. Non-current assets - financial assets at fair value through other comprehensive income

	2023	2022
	\$	\$
Financial Assets	<u>862,139</u>	<u>840,067</u>

Note 8. Non-current assets - property, plant and equipment

	2023	2022
	\$	\$
Land and buildings - valuation	6,575,000	6,575,000
Less: Accumulated depreciation	<u>(48,675)</u>	<u>(22,125)</u>
	6,526,325	6,552,875
Fixture & Equipment - at cost	176,063	177,962
Less: Accumulated depreciation	<u>(122,916)</u>	<u>(110,141)</u>
	53,147	67,821
	<u>6,579,472</u>	<u>6,620,696</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Furniture & Equipment \$	Total \$
Balance at 1 July 2022	6,552,875	67,821	6,620,696
Additions	-	3,659	3,659
Disposals	-	(697)	(697)
Depreciation expense	<u>(26,550)</u>	<u>(17,636)</u>	<u>(44,186)</u>
Balance at 30 June 2023	<u>6,526,325</u>	<u>53,147</u>	<u>6,579,472</u>

Valuations of land and buildings

Fair value of the property at 28 Drummond Street, Carlton was determined by using direct comparison method. This means that valuation performed by the valuer is based on active market prices, adjusted for the difference in the nature, location, or condition of the specific property. As at the date of revaluation, the property's fair value was based on valuation performed by BMT Valuers, an accredited independent valuer. The valuation was performed on 20 August 2021 with a valuation of \$6,575,000.

Optometry Victoria South Australia Limited
Notes to the financial statements
30 June 2023

Note 9. Non-current assets - intangibles

	2023	2022
	\$	\$
Software	19,170	19,170
Less: Accumulated amortisation	<u>(19,170)</u>	<u>(19,170)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Note 10. Current liabilities - Payables

	2023	2022
	\$	\$
Trade and other payables	372,407	316,928
Rental bond	<u>33,261</u>	<u>33,211</u>
	<u><u>405,668</u></u>	<u><u>350,139</u></u>

Note 11. Current liabilities - contract liabilities

	2023	2022
	\$	\$
Deferred income	<u>3,219,249</u>	<u>2,531,118</u>

Note 12. Current liabilities - provisions

	2023	2022
	\$	\$
Annual leave	48,204	97,499
Long service leave	<u>-</u>	<u>19,737</u>
	<u><u>48,204</u></u>	<u><u>117,236</u></u>

Note 13. Non-current liabilities - borrowings

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2023	2022
	\$	\$
Total facilities		
Bank of Queensland Line of Credit	<u>1,530,000</u>	<u>1,530,000</u>
Used at the reporting date		
Bank of Queensland Line of Credit	<u>-</u>	<u>-</u>
Unused at the reporting date		
Bank of Queensland Line of Credit	<u>1,530,000</u>	<u>1,530,000</u>

The variable interest rate is 8.49% (30 June 2022: 8.49%).

Optometry Victoria South Australia Limited
Notes to the financial statements
30 June 2023

Note 14. Non-current liabilities - deferred tax

	2023 \$	2022 \$
Deferred tax liabilities	1,014,377	1,014,377

Note 15. Non-current liabilities - provisions

	2023 \$	2022 \$
Long service leave	8,157	8,853

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the company:

	2023 \$	2022 \$
<i>Audit services</i>		
Audit of the financial statements	13,200	12,500

Note 17. Contingent liabilities

The company has no contingent liabilities for the year ended 30 June 2023 (2022: Nil).

Note 18. Commitments

The company has no commitments for the year ended 30 June 2023 (2022: Nil).

Note 19. Related party transactions

Directors

The names of Directors who held office during the period and at the date of this report are listed in the Director's report.

Key Management Personnel Compensation; Director Reimbursements and Benefits

This section includes the current and previous Chief Executive Officer's remuneration package, as well as the amounts Directors received as honorariums and reimbursement for expenses incurred by them for training, correspondence, and attendance at meetings during the period.

	2023 \$	2022 \$
Total payments	269,298	273,099

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 20. Events after the reporting period

Our members voted at a General Meeting on 18 July 2023 for OV/SA to proceed with an operational merge with our national office, Optometry Australia (OA) ABN 17 004 622 431. A Services Agreement and Asset Transfer Agreement between OA and OV/SA outlines all the details of the arrangement and is due to be signed in October 2023. OV/SA will continue as an entity with a board, whose primary duty will be to monitor OA's performance against the Agreement. Operations are due to be handed over to OA on 1 November 2023, including cash on hand, staff and other assets necessary to deliver on the Agreement. 28 Drummond St Carlton will remain the property of OV/SA and will be let to OA for a peppercorn rent. Invested funds will remain the property of OV/SA and will be managed by OA with OV/SA's investment manager. OV/SA's income will continue to be used to deliver services to our members, delivered by OA on our behalf. Due diligence in relation to these arrangements was completed prior to putting the proposal to our members.

Optometry Victoria South Australia Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- 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

A handwritten signature in dark ink, appearing to be 'W. J. [unclear]', written over a horizontal line.

22 August 2023

Independent Auditor's Report to the Members of Optometry Victoria South Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Optometry Victoria South Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Optometry Victoria South Australia Limited's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

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 and the Corporations Act 2001 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.

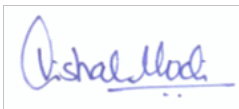
In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd



Vishal Modi
Director

Dated this 22 day of August 2023
Sydney