OPTOMETRY VICTORIA INCORPORATED
NO. A0031697W

DIRECTORS' REPORT

Your Directors submit the financial report of the Optometry Victoria Incorporated for the financial year ended 30 June 2019.

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

Murray Smith	Rowan Prendergast
Steve Dinh	Timothy Lo
Allison McKendrick	Genevieve Napper
Jayson Ward	Anne Weymouth

Principal Activities
The principal activity of the association during the financial year was a professional organisation for optometrists in Victoria.

Significant Changes
No significant change in the nature of these activities occurred during the year. On 29 October 2018 at the Optometry Victoria Annual General Meeting the Members passed a number of Special Resolutions endorsing the General Resolution that Optometry Victoria Inc. amalgamate with Optometry South Australia Inc. The Special Resolutions included that the Organisation transfer registration to Company Limited by Guarantee instead of Incorporated Association; that it change of name to Optometry Victoria South Australia Limited; that it repeal its existing rules, and that it adopt a new constitution for the Company.

From July 1 2019 Optometry Victoria South Australia commenced trading and this was ratified by the Australian Securities and Investments Commission on July 24 2019. The Organisation is now officially known as Optometry Victoria South Australia Limited ACN 634 919 994.

Operating Result
The profit after providing for income tax was $29,072 (2018: profit of $33,467).

Signed in accordance with a resolution of the Directors
on this 14th day of November 2019.

....
Murray Smith - President

....
Timothy Lo - Treasurer

OPTOMETRY VICTORIA INCORPORATED
NO. A0031697W

DIRECTORS' DECLARATION

We, Murray Smith and Timothy Lo, being members of the Board of the Optometry Victoria Incorporated, certify that:

a. The attached financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto are drawn up so as to give a true and fair view of the state of the Association's affairs at 30 June 2019 and of its results for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Associations Incorporations Reform Act 2012 and other mandatory professional reporting requirements

b. At the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed ....

Dated 14 / 11 / 19

Signed ....

Dated 14 / 11 / 19

OPTOMETRY VICTORIA INCORPORATED
O. A0031697W

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
Revenue	2	2,195,467	2,576,293
Employee benefits expense		(490,067)	(425,951)
Depreciation & amortisation expense	3	(50,243)	(48,733)
Finance costs	3	(2,534)	(14,695)
Other expenses		(1,618,190)	(2,048,112)
Profit/(Loss) before income tax		34,433	38,802
Income Tax (Expense)/Benefit	4	(5,361)	(5,335)
Profit/(Loss) for the year		29,072	33,467
Other Comprehensive Income:			
Net gain/(loss) of financial assets, net of tax		9,529	(13,142)
Gain on revaluation of Land & Buildings, net of tax		-	-
Other comprehensive income for the year net of tax		9,529	(13,142)
Total comprehensive income for the year		38,601	20,325
Profit/(Loss) attributable to members of the entity		29,072	33,467
Total comprehensive income attributable to members of the entity		38,601	20,325

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
O. A0031697W

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019	2018
		$	$
CURRENT ASSETS			
Cash & Cash Equivalents	5	1,864,097	1,336,666
Receivables	6	27,105	24,382
Other Assets	7	37,025	12,716
TOTAL CURRENT ASSETS		1,928,227	1,373,764
NON-CURRENT ASSETS			
Financial Assets	8	854,648	848,979
Property, plant and equipment	9	3,214,847	3,252,827
Intangibles	10	5,444	8,467
TOTAL NON-CURRENT ASSETS		4,074,939	4,110,273
TOTAL ASSETS		6,003,166	5,484,037
CURRENT LIABILITIES			
Payables	11	257,009	242,908
Borrowings	12	-	34
Provisions	13	57,864	44,520
Other Current Liabilities	14	2,085,936	1,645,023
TOTAL CURRENT LIABILITIES		2,400,809	1,932,485
NON-CURRENT LIABILITIES			
Provisions	13	6,583	5,114
Deferred Tax Liability	15	156,198	145,463
TOTAL NON-CURRENT LIABILITIES		162,781	150,577
TOTAL LIABILITIES		2,563,590	2,083,062
NET ASSETS		3,439,576	3,400,975
EQUITY			
Reserves		635,429	625,900
Accumulated Funds		2,804,147	2,775,075
TOTAL EQUITY		3,439,576	3,400,975

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

		Reserves		
	Accumulated Funds $	Financial Instruments Gains/(Loss) Reserve $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2017	**2,741,608**	**24,602**	**614,440**	**3,380,650**
Profit/(Loss) for the year	33,467	-	-	33,467
Other comprehensive income for the year	-	(13,142)	-	(13,142)
Total comprehensive income for the year	33,467	(13,142)	-	20,325
Balance at 1 July 2018	**2,775,075**	**11,460**	**614,440**	**3,400,975**
Profit/(Loss) for the year	29,072	-	-	29,072
Other comprehensive Income for the year	-	9,529	-	9,529
Total comprehensive income for the year	29,072	9,529	-	38,601
Balance at 30 June 2019	**2,804,147**	**20,989**	**614,440**	**3,439,576**

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
REVENUE			
CPD: Southern Regional Congress	17	10,268	511,750
Distribution & Rebate Income		29,495	34,556
Interest Income		4,371	3,397
Member Activities Income		5,200	11,142
Membership Subscriptions		1,987,985	1,868,790
Rental & Room Hire Income		117,203	113,382
Golf Day		24,557	16,966
Sundry Income		4,888	-
Vision Initiative		11,500	11,500
Gain on Disposal of Investments		-	4,810
TOTAL REVENUE	2	2,195,467	2,576,293
LESS: EXPENDITURE			
Administration		9,721	8,991
Accountancy & Audit Fees		9,800	14,650
Bank Charges		24,093	24,779
Capitation Fees		1,165,707	1,248,160
Computer Training & Software		17,182	15,634
CPD: Southern Regional Congress	17	359	372,468
Board Meetings		33,772	23,646
Cleaning		6,115	6,709
Depreciation & Amortisation		50,243	48,733
Insurance		4,541	3,591
Interest Paid		2,534	14,695
TOTAL EXPENDITURE (Carried Forward)		1,324,067	1,782,056

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
TOTAL REVENUE (Brought Forward)		2,195,467	2,576,293
TOTAL EXPENDITURE (Brought Forward)		1,324,067	1,782,056
Investment Expenses		3,725	5,000
Legal Expenses & Consulting		34,155	37,605
Light and Power		15,608	14,419
Loss on Disposal of Plant & Equipment		703	2,502
President's Honorarium		15,300	15,300
Printing and Stationery		6,780	5,125
Provision for Employee Benefits		14,812	11,549
Publications		44,180	40,998
Vision Initiative		40	352
Rates and Taxes		25,931	27,076
Repairs and Maintenance		30,094	14,727
Security Service		892	469
Member Activities		85,263	81,069
Golf Day Expenses & Donation	1(j)	25,107	16,966
Staff Training & Development		1,910	7,346
Staff Recruitment Expenses		1,195	2,957
Subscriptions		3,050	5,444
Sundry Expenses		18,654	21,878
Superannuation Contributions		44,547	40,713
Telephone		5,130	8,539
Tenancy Reletting Costs		-	(7)
Travelling Expenses		12,135	8,060
Wages & Benefits		445,520	385,238
WorkCover		2,236	2,110
TOTAL EXPENDITURE		2,161,034	2,537,491
NET PROFIT/(LOSS) BEFORE INCOME TAX		34,433	38,802

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Inflows/ (Outflows) 2019 $	Inflows/ (Outflows) 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members, Sponsors & Grants		2,752,621	2,695,893
Payments to Suppliers, Employees & National Association		(2,377,380)	(2,676,370)
Interest Paid		(2,534)	(14,695)
Distributions Received		42,526	59,287
Interest Received		4,371	3,397
Net Cash Provided by/(Used in) Operating Activities	20(b)	419,604	67,512
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(9,943)	(123,570)
Rental and bond income received		117,804	113,973
Net Cash Provided by/(Used in) Investing Activities		107,861	(9,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		221,291	797,694
Repayment of borrowings		(221,325)	(797,660)
Net Cash Provided by(Used in) Financing Activities		(34)	34
Net Increase/(Decrease) in Cash Held		527,431	57,949
Cash & Cash Equivalents at Beginning of the Year		1,336,666	1,278,717
Cash & Cash Equivalents at End of the Year	20(a)	1,864,097	1,336,666

The accompanying notes form part of this financial report.

OPTOMETRY VICTORIA INCORPORATED
O. A0031697W

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other mandatory professional reporting requirements and the requirements of the Associations Incorporations Reform Act 2012.

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial report.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis using historical costs and 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 accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Building improvements and plant and equipment are measured on the cost basis less depreciation and impairment losses. Freehold land and buildings are measured at fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(a) Property, Plant and Equipment *continued*

Depreciation

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:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Building Improvements	2.5%
Plant and equipment	11–67%

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

(b) Income Tax

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

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

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 manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Tax losses and capital losses available to the Association at 30 June 2019 of $342,954 (2018: $341,549) and nil (2018: nil) respectively, have been recognised as a tax benefit in 2018 as the Association has deferred tax liabilities in excess of those tax benefits associated with revalued and financial assets at fair value through OCI (refer to Note 15).

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(c) Revenue

Membership Subscriptions

Membership subscriptions are recognised in the financial year to which they relate.

Continuing Professional Development (CPD) Income and Expenses

CPD Income and Expenses are recognised in the financial year when the event is held.

Distribution Income

Distribution Income is recognised when the right to receive a distribution has been established.

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

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the association commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Financial Instruments (continued)

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Financial Instruments (continued)

The association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to a an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flow: otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date i accordance with the association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Financial Instruments (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the association elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and al cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Financial Instruments (continued)

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credi risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Financial Instruments (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(e) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

(f) Intangibles - 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.

(g) Employee Benefits

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where the entity does not have an unconditional right to defer settlement for at least 12 months. Employee benefit provisions that are reported as non-current liabilities include long term benefits that do not qualify for recognition as a current liability, and are measured at present value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(g) Employee Benefits (continued)

Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) Comparative Figures

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

(i) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(j) Golf Day Donation

The Golf Day payments include a donation to Optometry Giving Sight of $6,868 (2018: $5,262), being the surplus from the Golf Day event for the year.

(k) Critical Accounting Estimates and Judgments

The Board members evaluate estimates and judgments incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates — Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(k) Critical Accounting Estimates and Judgments (continued)

Key Judgments - Financial assets at fair value through OCI

The Association maintains a portfolio of securities with a carrying amount of $854,648 at the end of the reporting period. Certain individual investments have declined in value since the initial acquisition of those investment. The board members do not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is in excess of 30% below cost or should prices remain at levels below cost for a period in excess of 12 months, the board members have determined that such investments will be considered impaired in the future.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(l) New and Amended Accounting Policies Adopted by the Association

Initial application of AASB 9: *Financial Instruments*

The association has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, the association has changed its financial instruments accounting policies as detailed in this note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior period. The following tables summarise the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exceptions (ie when applying the effective interest method, impairment measurement requirements and hedge accounting in terms of the Standard).

There were no financial assets/liabilities which the association had previously designated as at fair value through profit or loss under AASB 139: *Financial Instruments: Recognition and Measurement* that were subject to reclassification/elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the association has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The association applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The association has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 January 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 July 2018 have been restated where appropriate.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the association's business model and the cash flow characteristics of the financial assets, as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

Despite the issues mentioned, the association may make irrevocable election at initial recognition of a financial asset as follows:

- the association may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- the association may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(l) New and Amended Accounting Policies Adopted by the Association (continued)

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The directors of the association determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- the association's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through other comprehensive income. The movement in fair value on these equity instruments is accumulated in the financial assets reserve;
- financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- financial assets measured at fair value through profit or loss (AASB 139) are still measured as such under AASB 9.

As a result of the classification change in relation to investments in equity instruments, the fair value gain on available-for-sale financial assets recognised in other comprehensive income of $9,529 (2018: loss of $13,142) to be designated as at fair value through other comprehensive income will not be reclassified to profit or loss.

This note contains a table that shows the effect in classification of the financial assets upon initial application.

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous Standard applicable (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the association to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(l) New and Amended Accounting Policies Adopted by the Association (continued)

The association reviewed and assessed the existing financial assets on 1 July 2018. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that was available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 July 2017 and 1 July 2018. The assessment was done without undue cost or effort in accordance with AASB 9.

The association uses the simplified approach and recognises lifetime expected credit loss. Additional credit loss allowances have not been recognised as at 1 January 2018 and as at 1 January as a result of application of the AASB 9.

The consequential amendments to AASB 7 have also resulted in more extensive disclosures about the association's exposure to credit risk in the consolidated financial statements.

Classification and measurement of financial liabilities

AASB 9 determines that the classification and measurement of financial liabilities relates to changes in the fair value designated as fair value through profit or loss attributable to changes in the credit risk.

AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained earnings when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at fair value through profit or loss be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of the association's financial liabilities.

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category	
	AASB 139 original	**AASB 9 new**
Financial assets		
Current and non-current		
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost
Receivables	Loans and receivables (amortised cost)	Financial assets at amortised cost
Financial Assets	Loans and receivables (amortised cost)	Financial assets at fair value through OCI
Financial liabilities		
Current and non-current		
Payables	Amortised cost	Financial liabilities at amortised cost
Borrowings	Amortised cost	Financial liabilities at amortised cost

The application of these changes in accounting policies had no impact on the consolidated cash flows of the association.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
NOTE 2: REVENUE		
Operating activities:		
- Membership Subscriptions	1,987,985	1,868,790
- Southern Regional Congress Income (SRC)	10,268	511,750
- Interest (other persons/corporations)	4,371	3,397
- Distributions & Rebates Income	29,495	34,556
- Gain on Disposal of Investments	-	4,810
- Other Revenue	46,145	39,608
	2,078,264	2,462,911
Non-operating activities:		
- Rental Income & Room Hire	117,203	113,382
Total Revenue	2,195,467	2,576,293

NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

Profit/(Loss) from ordinary activities before income tax has been determined after: -

	2019	2018
(a) Expenses:		
Finance Costs:		
- Interest Paid	2,534	14,695
Depreciation & Amortisation:		
- Buildings & Improvements	34,937	35,260
- Furniture and equipment	12,283	10,451
- Software	3,023	3,022
	50,243	48,733
Amounts set aside to Provisions:		
- Long service leave	1,468	925
- Annual leave	13,344	10,623
	14,812	11,548

OPTOMETRY VICTORIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	$	$
NOTE 4: INCOME TAX EXPENSE		
The prima facie tax payable on profit/(loss) from ordinary activities is reconciled to the income tax provided in the accounts as follows:		
Profit/(Loss) before Income Tax	34,433	38,802
Prima facie tax payable/(receivable) on profit/(loss) before income tax at 30% (2018: 30%)	10,329	11,640
Increase/(Decrease) in income tax expense arising from:		
- Net non-taxable member income arising from principle of mutuality	(27,523)	(21,892)
- Movement in Provision for Employee Entitlements	4,444	3,465
- Non-Deductible Building Depreciation	14,670	9,245
- Accrued Income & Expenses	300	(23)
- Accounting distributions received	(8,849)	(10,367)
- Net taxable trust distributions received	4,475	6,458
- Accounting gain on disposal of investments	-	(1,443)
- Imputation Credits received	2,892	2,300
	(9,591)	(12,257)
Capital Gains – offset against prior year losses	4,623	5,952
Tax Effect of prior year's Carried Forward Losses	-	-
Income tax expense/(benefit) attributable to surplus from ordinary activities	5,361	5,335
(a)The components of tax expense/(benefit) comprise:		
- Current tax	-	-
- Deferred tax	5,361	5,335
	5,361	5,335

NOTE 5: CASH & CASH EQUIVALENTS

	2019	2018
ANZ – Cheque Account	200,869	1,305,000
ANZ – Saver Account	1,630,108	-
ANZ – Term Deposit (Tenant Bond Account)	32,267	31,666
BOQ Specialist – At Call Account	853	-
	1,864,097	1,336,666

	2019	2018
	$	$
NOTE 6: RECEIVABLES		
Accrued Income	19,305	23,102
Sundry Receivables	7,800	1,280
	27,105	24,382
NOTE 7: OTHER ASSETS		
Prepayments	37,025	12,716
NOTE 8: FINANCIAL ASSETS		
Financial assets at fair value through OCI -Managed Funds	854,648	848,979

Investments in managed funds are held at fair value. The fair value has been based upon market value of the investments held by the funds.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
Land, Buildings & Improvements:		
Land at Director's Valuation	1,666,667	1,666,667
Buildings at Director's Valuation	1,540,807	1,540,807
Less Accumulated Depreciation	(154,080)	(123,264)
	3,053,394	3,084,210
Building Improvements – at cost	150,286	150,286
Less Accumulated Depreciation	(34,058)	(29,937)
	116,228	120,349
Total Land, Buildings & Improvements	3,169,622	3,204,559
Furniture & Equipment – at cost	129,662	133,885
Less Accumulated Depreciation	(84,437)	(85,617)
	45,225	48,268
Total Property, Plant & Equipment	3,214,847	3,252,827

During the 2014 year, the Association valued the property at 28 Drummond, Carlton. The valuation of $3,000,000 for land, buildings and building improvements was adopted at 30 June 2014. The valuation of land and buildings is based on the market value of the highest and best use. The land component of the property was valued at $1,416,667 with the remainder being attributed to Buildings and Improvements. At 30 June 2017, the directors assessed the value of land and buildings and adopted a value of land at $1,666,667.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (cont.)

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and end of the current financial year:

	Land, Buildings & Improvements $	Furniture & Equipment $	Total $
Year Ended 30 June 2019:			
Balance at the beginning of year	3,204,559	48,268	3,252,827
Additions	-	9,943	9,943
Disposals	-	(703)	(703)
Depreciation Expense	(34,937)	(12,283)	(47,220)
Carrying amount at end of year	3,169,622	45,225	3,214,847

	Land, Buildings & Improvements $	Furniture & Equipment $	Total $
Year Ended 30 June 2018:			
Balance at the beginning of year	3,162,232	15,239	3,177,471
Additions	79,870	43,700	123,570
Disposals	(2,283)	(220)	(2,503)
Depreciation Expense	(35,260)	(10,451)	(45,711)
Carrying amount at end of year	3,204,559	48,268	3,252,827

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
NOTE 10: INTANGIBLE ASSETS		
Software	19,171	19,171
Less Accumulated Amortisation	(13,727)	(10,704)
	5,444	8,467

(a) Movements in Carrying Amounts

Movements in carrying amounts of software between the beginning and end of the current financial year:

	2019 $	2018 $
Balance at beginning of year	8,467	11,489
Additions	-	-
Amortisation charge	(3,023)	(3,022)
Carrying amount at end of year	5,444	8,467

	2019 $	2018 $
NOTE 11: PAYABLES		
Sundry Payables	224,742	211,242
Bonds Held	32,267	31,666
	257,009	242,908

	2019 $	2018 $
NOTE 12: FINANCIAL LIABILITIES		
Line of Credit Facility – Secured	-	34
	-	34

(a) The total current and non current secured liabilities are $nil (2018: 34).

(b) The carrying amount of the property at 28 Drummond Street, Carlton which is pledged as security for the facility is $3,169,622

(c) The facility is a line of credit with a limit of $1,530,000, secured by a registered first mortgage over the freehold property of the Association. There are no financial covenants in place in respect to this facility.

(d) The facility was renewed during 2017 for a further period of 3 years, expiring in January 2020.

	2019	2018
	$	$

NOTE 13: PROVISIONS

Current

Employee Benefits:		
Annual Leave	57,864	44,520
	57,864	44,520

Based on past experience, the association expects the full amount of the annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements

Non-Current

Employee Benefits:		
Long Service Leave	6,583	5,114
	6,583	5,114

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

NOTE 14: OTHER LIABILITIES

Current

Other Income in Advance	352,953	295
Subscriptions in Advance	1,732,983	1,644,728
	2,085,936	1,645,023

NOTE 15: DEFERRED TAX LIABILITY

	Opening Balance $	Charged/ (Credited) to Profit or Loss $	Charged/ (Credited) Directly to Equity $	Changes in Tax Rates $	Closing Balance $
2019:					
Deferred Tax on:					
Carry Forward Losses – operating in nature	(118,709)	5,361	-	-	(113,348)
Carry Forward Losses – capital in nature	-	-	-	-	-
(Losses)/gains on revaluation of Land & Buildings	260,653	-	-	-	260,653
(Losses)/gains on Financial assets at FV through OCI	3,519	-	5,374	-	8,893
Deferred Tax Liability/(Asset)	145,463	5,361	5,374	-	156,198

	Opening Balance $	Charged/ (Credited) to Profit or Loss $	Charged/ (Credited) Directly to Equity $	Changes in Tax Rates $	Closing Balance $
2018:					
Deferred Tax on:					
Carry Forward Losses – operating in nature	(97,564)	(12,549)	-	(8,596)	(118,709)
Carry Forward Losses – capital in nature	-	-	-	-	-
(Losses)/gains on revaluation of Land & Buildings	238,932	-	-	21,721	260,653
(Losses)/gains on Available-for-Sale Financial Assets	9,331	-	(6,045)	233	3,519
Deferred Tax Liability/(Asset)	150,699	(12,549)	(6,045)	13,358	145,463

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Directors

The names of Directors who held office during the year and at the date of this report were:

Murray Smith (President)
Rowan Prendergast (Vice-President)
Timothy Lo (Treasurer)
Steve Dinh
Allison McKendrick
Genevieve Napper
Jayson Ward
Anne Weymouth

(b) Key Management Personnel

Key Management Personnel includes the Chief Executive Officer and Directors listed above.

(c) Key Management Personnel Compensation

	Total $	Short-term Employee Benefits $	Post-Employment Benefits $	Other Long-term Benefits $	Termination Benefits $	Share Based Payment $
2019						
Total Compensation	210,853	195,119	15,734	-	-	-
2018						
Total Compensation	202,882	187,939	14,943	-	-	-

(d) Directors Reimbursements & Benefits

Directors received reimbursement for expenses incurred by them for training, correspondence and attendance at meetings during the year. The Association also paid for the Directors' attendance at the Southern Regional Congress. The total of reimbursements and benefits paid or payable to all Directors for the 2018 year was $4,445 (2018: $6,820).

(e) Other Transactions

Transactions with related parties are on normal commercial terms, unless otherwise stated.

NOTE 17: SOUTHERN REGIONAL CONGRESS

In respect to Continuing Professional Development (CPD) and the Southern Regional Congress (SRC), the following is provided to give a better understanding of the financial performance of the SRC. A notional allocation of expenses has been applied as follows:

	2019 $	2018 $
Southern Regional Congress Income	10,268	511,750
Less: Direct SRC Expense	1,229	343,544
CPD Contract for Services	-	10,000
Staff Wages & Expenses	(870)	18,924
Total Related Expenditure	359	372,468
Southern Regional Congress Surplus	9,909	139,282

NOTE 18: CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Receivable

Non-cancellable operating lease receivable not recognised in the accounts:

	2019	2018
Receivable:		
- not later than one year	88,174	115,836
- later than 1 year but not later than 5 years	-	88,174
	88,174	204,010

The operating lease relates to the following at 28 Drummond Street, Carlton:
-Lease of Ground floor and Mezzanine level which commenced on 13 April 2017 for a period of 3 years

NOTE 19: ENTITY DETAILS

The registered office and principal place of business of the Association at the date of this report is:

Optometry Victoria Inc.
28 Drummond Street
Carlton VIC 3053

NOTE 20: CASH FLOW INFORMATION

20(a) Reconciliation of Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, cash & cash equivalents include cash on hand, at banks and on deposit, net of outstanding bank overdraft. Cash & cash equivalents at the end of the financial year is reconciled to the related items in the balance sheet as follows: -

	2019 $	2018 $
Bank Accounts – ANZ Cheque Account	200,869	1,336,666
Bank Accounts – ANZ Saver Account	1,630,107	-
BOQ Specialist – at Call Account	853	-
	1,831,829	1,336,666

20(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2019 $	2018 $
Profit after Income Tax	29,072	33,467
Non-cash flows in Profit:		
Depreciation & Amortisation	50,243	48,733
Loss on Disposal of Fixed Assets	703	
Gain on Disposal of Investments	-	(4,810)
Reinvested Distributions, Interest & Fees	9,234	7,045
Deferred Income Tax (Benefit)/Expense	5,361	5,335
Income from Investing Activities		
Rental and Bond Income Received	(117,203)	(113,382)
Changes in assets and liabilities:		
(Increase)/Decrease in Receivables	(2,723)	56,196
(Increase)/Decrease in Prepayments	(24,309)	2,074
Increase in Payables	13,500	24,347
Increase/(Decrease) in Income in Advance	440,913	(3,041)
Increase in Provision for Employee Benefits	14,813	11,548
Net cash provided from operating activities	419,604	67,512

20(c) Non-Cash Investing Activities

The Association earned distribution and rebate income net of fees during the year. The net gain of this activity is $9,234 (2018: $7,045) which was re-invested in the corresponding investments.

NOTE 20: CASH FLOW INFORMATION (cont.)

20(d) Credit Facilities

The Association has a line of credit facility of $1,530,000 which expires January 2020. At 30 June 2019, $nil of this facility was used (2018: $34). Interest rates are variable.

NOTE 21: FINANCIAL INSTRUMENTS

21(a) Terms, conditions and accounting policies

The Association's terms, conditions and accounting policies of financial instruments are those adopted by businesses in Australia generally.

21(b) Market Risk

The Association's sensitivity to market risk is the risk that a financial instrument's value will fluctuate as a result of changes in price indexes such as the Australian Stock Exchange or changes in returns on managed fund investments. The Association manages this risk through diversity in the investment portfolio and by obtaining professional investment advice.

21(c) Net Fair values

The net fair values of the Association's financial assets and financial liabilities are not expected to be materially different from net carrying value of each class of asset and liability as disclosed above and recognised in the balance sheet as at 30 June 2019.

21(d) Credit Risk

The Association's maximum exposure to credit risk by class of recognised financial assets at balance date , excluding the value of any collateral or other security, is the carrying amount, net of provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

21(e) Liquidity Risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

NOTE 22: SUBSEQUENT EVENTS

On 29 October 2018 at the Optometry Victoria Annual General Meeting the Members passed a number of Special Resolutions endorsing the General Resolution that Optometry Victoria Inc. amalgamate with Optometry South Australia Inc. The Special Resolutions included that the Organisation transfer registration to Company Limited by Guarantee instead of Incorporated Association; that it change of name to Optometry Victoria South Australia Limited; that it repeal its existing rules, and that it adopt a new constitution for the Company.

From July 1 2019 Optometry Victoria South Australia commenced trading and this was ratified by the Australian Securities and Investments Commission on July 24 2019. The Organisation is now official known as Optometry Victoria South Australia Limited ACN 634 919 994.

McLean Delmo Bentleys
THINKING AHEAD

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OPTOMETRY VICTORIA INCORPORATED

Opinion

We have audited the financial report of Optometry Victoria Incorporated, which comprises the statement of financial position as at 30 June 2019, the statement of 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 other explanatory information, and the directors' declaration.

In our opinion the financial report of Optometry Victoria Incorporated is in accordance with the Associations Incorporations Reform Act 2012, including:

(a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The Directors of the Association 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 Associations Incorporations Reform Act 2012.

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

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THINKING AHEAD

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OPTOMETRY VICTORIA INCORPORATED (Continued)

Auditor's Responsibilities 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Martin Fensome
Partner

Hawthorn
14 November 2019