

**AUSTRALIAN COLLEGE OF OPTOMETRY  
AND CONTROLLED ENTITIES**

A.C.N. 004 235 250

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The councillors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated group') consisting of Australian College of Optometry (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2022.

### Councillors

The following persons were councillors of Australian College of Optometry during the whole of the financial year and up to the date of this report, unless otherwise stated:

S Koh	S Grady (from 12 July 2022)
T Elia-Adams (from 29 November 2022)	D Gronow
L Ayton	R Hodge
D Baker (from 30 May 2022)	T Powell
J Chaney (until 30 May 2022)	M Waugh
L Denehy (until 31 December 2022)	

### Consolidated Group

The Australian College of Optometry is appointed as Trustee to the Schultz Laubman Schultz Endowment Fund Trust and the NVRI Governors Endowment Fund Trust. The Councillors of ACO are appointed as Trustees to the Beresford Cambridge Bequest Trust.

The Councillors of ACO consider it is a reporting entity as defined by AASB 1053 and the general purpose financial statements of the Australian College of Optometry have been prepared under Section 60-95 of the ACNC Act. In preparing these financial statements, ACO has included controlled entities (the Trust Funds) that are part of the 'ACNC reporting group' consolidated in these financial statements as follows:

- The Trustee for Schultz Laubman Schultz Endowment Fund Trust;
- The Trustee for NVRI Governors Endowment Fund Trust; and
- The Trustee for the Beresford Cambridge Bequest Trust.

ACO holds Deductible Gift Recipient (DGR) status.

### Principal activities

The objective of ACO is to undertake public charitable activities primarily in Australia to promote the prevention and / or the control of disease in human beings.

The principal activities of the consolidated group in the course of the year have been the provision of affordable eyecare services, principally to communities experiencing disadvantage; the advancement of eye and vision care through research; and to support the education of current and new generations of optometrists.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year. In addition, the operations of ACO remained essentially unchanged in 2022.

The income and property of ACO must be used and applied solely in promotion of its objects and no portion will be dismantled, paid or transferred directly or indirectly by way of dividend, bonus or by way of profit to Members. The assets and income of the Trust Funds must be used solely for the furtherance of its' objectives and no portion shall be distributed directly or indirectly to any other beneficiaries of the Funds except for the furtherance of research carried out by the NVRI.

### Short-term and Long-term Objectives

ACO Council has approved ACO's strategic plan for 2018 - 2022.

- continue to strengthen our clinical governance framework;
- continue to be a respected leader in the sector;
- identify opportunities to address unmet need in public health eye care;
- deliver high impact, internationally recognised research;
- build research capability and increase the translation of research to deliver outcomes that benefit the community;
- develop best practice clinical learning pathways;
- build membership and supporters;
- foster a culture of leadership, innovation, development and partner engagement;
- improve digital capability and maximise the benefit returned to the community through the investment of resources.

The entity's medium to long-term objectives are to:

- Clinical Optometry Services: provide high quality public health eye care for communities in need and to lead best practice and standards;
- Research: undertake high impact internationally recognised research to improve the understanding of vision science and eye care;
- Education: provide best practice clinical learning pathways for optometrists from pre-registration through to professional practice;
- Sustainable Organisation: develop an innovative and collaborative culture with our people striving for excellence in everything we do, facilitated by innovative and effective technology, systems and processes and with our members and supporters key to our success.

### **Strategies**

Business plans and operational budgets for each Division are in place which set out the specific strategies adopted to support the achievement of the overall short-term and long-term objectives.

### **Key Performance Measures**

ACO measures its own performance through the use of both quantitative and qualitative benchmarks, including benchmarks relating to patient numbers, clinic occupancy and productivity, membership and key financial indicators. The benchmarks are used by management and the Council to assess the financial sustainability of ACO and whether ACO's short-term and long-term objectives have been achieved. The Council has not identified any additional actions that need to be taken arising from this process.

This work continues to be supported by a range of management committees, with oversight of risk and financial performance issues by the Finance and Risk Committee which is scheduled to meet at least four times during each year.

### **Operating Results and Review of Operations**

The results for the year for ACO and the Consolidated Group are set out on page 9.

The consolidated group's result for the year was a deficit of \$662,223 (2021: surplus of \$10,559) and the comprehensive result for the year was a deficit of \$1,834,641 (2021: surplus of \$1,164,464).

The net assets of the consolidated group on 31 December 2022 were \$23,356,258 (2021: \$25,190,899). Whilst the COVID-19 global pandemic impacted the operations of the ACO during the 2021 financial year by way of enforced reduced capacity, the organisation continued to be impacted in 2022 by the effects of COVID-19 and Omicron in particular. These impacts manifested in staff shortages and reduced client throughput due to the health impacts, and the challenge of recruiting and maintaining adequate staffing capacity.

See the Comprehensive Operating Statement and Consolidated Statement of Financial Position and accompanying notes from page 9 onwards for full details.

ACO is exempt from income tax and therefore no provision for income tax has been made.

### **Significant Changes in the State of Affairs**

There were no significant changes in the consolidated group's state of affairs during the financial year.

### **Likely Events and Expected Results of Operations**

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

## **Environmental Regulation**

The operations of the consolidated group are not subject to any significant environmental regulation under the laws of the Commonwealth or of a State or Territories.

## **Information on councillors**

### **Sophie Koh**

**BOptom (UniMelb), GradCertOcTher, LmusTCL**

**President (from June 2022)**

**Executive Committee Chair (from June 2022)**

**Member of Finance and Risk Committee (from June 2022)**

**Member of the NVRI Board of Administration (from June 2022)**

**Elected member of Council since 2018**

Sophie started her optometry career in the Northern Territory. She has broad experience working in public health and corporate settings across metropolitan, rural and outback Australia. She has extensive experience working in ophthalmology teams and training nurses in East Timor, Papua New Guinea and Solomon Islands. Sophie studied her undergraduate degree at the University of Melbourne and Graduate Certificate in Ocular Therapeutics at ACO. She is currently the National Professional Services Advisor at Optometry Australia. She is passionate about empowering students and colleagues to improve their knowledge so they can play a wider role in improving the health and wellbeing of our underprivileged communities locally and overseas. Sophie has special interests in corporate governance, is a member of Governance Institute of Australia, and has completed her Certificate in Governance for Non-for-Profits.

### **Theodora Elia-Adams, CA (from November 2022)**

**BCom, MTax, MAICD**

**Skills-based member of Council (from November 2022)**

Theodora Elia-Adams holds a Bachelor of Commerce and Master of Taxation from The University of Melbourne and is a Chartered Accountant and an Associate Member, Australian Institute of Company Directors. She is a Board Member, Former EY Partner, Business Advisor and Tax Specialist. As a skilled Board Member and Company Secretary, Theodora has key skills in governance and quality assurance, finance and budget management, and risk identification and management. She has worked in the medtech, bioscience, construction, health, retail and banking, Saas and wealth management industries. With 25 years of experience as a trusted business advisor and tax professional working with a broad and diverse range of enterprises from pre-revenue start-ups to some of world's largest and best known brands, Theodora has valuable insight and experience into what makes businesses successful and the common pitfalls and traps that catch many businesses out. Rapidly rising through the global professional services firm of Ernst and Young (EY) into the role of Partner and soon after joining the EY partner leadership team, including her appointment as EY's Oceania Leader for virtual CFO support services and finance managed services, Theodora is a proven leader with a reputation amongst her peers as a lateral thinker, adept at problem solving, risk identification and management, and effectively engaging stakeholders.

### **Associate Professor Lauren Ayton**

**BOptom; PhD; FACO; FAAO; GCOT**

**Executive Committee Member (from June 2022)**

**Elected member of Council since 2021**

Associate Professor Lauren Ayton is an optometrist and medical researcher at the University of Melbourne. She leads the Vision Optimisation Unit, leading both natural history and interventional trials (including gene therapy) for inherited retinal diseases. Her research interests include retinal disease, low vision and vision restoration. Lauren is passionate about research translation and improving patient care. She is also the Director of SPARK Melbourne (a research accelerator program that originated at Stanford University) and is involved in several industry clinical trials and start-up companies. She has previously worked in industry in the USA, as part of a Harvard-affiliated startup company, Bionic Eye Technologies. Lauren has held positions on a number of committees, including Optometry Australia, Vision 2020 and the Association for Research in Vision and Ophthalmology.

### **Darrell Baker**

**Dip Optom (SA), CertOcTher, SpecCertMNOD, GAICD**

**Elected member of Council (from May 2022)**

Darrell Baker is the owner and director of Bullseye Optometry and Sensory Clinics in Perth, Western Australia. He has a special interest in the management of neuro-ophthalmic disorders. Darrell graduated in Johannesburg in 1986 and worked in Zimbabwe, South Africa and the United Kingdom before migrating to Australia in 1999 where he worked as a partner in an independent practice for 12 years. Darrell has extensive experience in corporate governance. He is the immediate Past President Optometry Australia, former Vice President and Board director Optometry Australia, and is Past President Optometry Western Australia. Darrell is a graduate of the Australian Institute of Company Directors.

### **The Honorable John Chaney**

**SC BJuris LLB**

**Skills-based member of Council (until 30 May 2022)**

John is a former justice of the Supreme Court of Western Australia, retiring from the court in 2018. His judicial career spanned 14 years, during which time he sat as a judge of the District Court, Deputy President and then President of the State Administrative Tribunal of WA, and on the Supreme Court. Prior to his appointment as a judge, John practised as a barrister for 10 years during which time he was appointed Senior Counsel. Prior to this, he was a partner in a commercial law firm where he practised in the areas of commercial litigation, professional negligence and planning law. He served on the Council of the Law Society of WA for 12 years and was president in 1991. He has sat on several Law School advisory boards at universities in WA, and was an inaugural board member of the Australian Advocacy Institute. John is now engaged in practice as a private mediator and arbitrator. He holds the office of Acting Parliamentary Inspector of the Crime and Corruption Commission of WA, chairs the Forensic Biology Advisory Council and the Piddington Society and is a member of the National Sports Tribunal.

### **Professor Linda Denehy**

**BAppSc (Physio), PhD**

**Executive Committee Member (until June 2022)**

**University of Melbourne appointee to Council since 2017 until 31 December 2022**

Linda Denehy is Professor of Physiotherapy and past Head of the Melbourne School of Health Sciences at the University of Melbourne and a registered Physiotherapist. She also has a joint appointment as Professor of Health Services Research: Allied Health at the Peter MacCallum Cancer Centre Melbourne. Professor Denehy has extensive teaching and learning experience at both under and post graduate levels and introduced the new Doctor of Physiotherapy course at the University of Melbourne in 2011. Professor Denehy is a past President of the Council of Physiotherapy Deans of Australia and New Zealand and Deputy Chair of Victorian Health Deans. She has supervised over 40 graduate research students to completion and currently supervises four PhD and five Post-Doctoral students. Her research interests are in pre and rehabilitation in acute care including in intensive care, oncology and perioperative management where she is passionate about improving patient centred outcomes. Professor Denehy has been invited to deliver 50 presentations both nationally and internationally. She has over 200 publications, including 35 invited papers and has been successful in grant funding of AUD \$16million including as a chief investigator on six National grants and a Wellcome Trust UK grant on rehabilitation topics.

### **Sayuri Grady (from July 2022)**

**LLB GDP LLM (International Law) BA (Media) GAICD**

**Skills-based member of Council (from July 2022)**

Sayuri Grady is currently Special Counsel consultant lawyer with Lawyerbank, having previously been General Counsel and Head of Legal at the Australian Public Service Commission. She has 15 years Executive and Senior Executive experience as a lawyer for various Australian Government Departments, including in Prime Minister and Cabinet, the Indigenous Affairs portfolio advising on Indigenous policy and working closely with Aboriginal and Torres Strait Islander corporations. Sayuri has a diverse portfolio of Board and Committee experience, including the Australian Research Council, Australian Government Legal Service, the ACT Legal Aid Review Committee and is an External Adjudicator for ACT Corrections. She is a Past President of the ACT Division of the Association of Corporate Counsel Australia and was Chair of the Australian Government Legal Network's Professional Development Committee. Sayuri is a graduate of the Australian Institute of Company Directors.

### **Denise Gronow**

**CA**

**Honorary Treasurer**

**Executive Committee Member**

**Chair of the Finance & Risk Committee**

**Chair of the NVRI Board of Administration**

**Skills-based member of Council since 2018**

Denise was appointed as Honorary Treasurer and as Chair of the ACO's Finance & Risk Committee in February 2017. Denise has been an independent member of the ACO's Finance & Risk Committee since March 2014. She previously acted as an alternate director on ACO Council between August 2015 and January 2016. Denise is a qualified chartered accountant with significant experience working at a senior level in both the professional practice and banking sectors.

**Rodney A. Hodge**

**B.Sc.Optom**

**Elected Member of Council since 2018**

Rodney is an experienced optometrist who has worked in private practice, corporate practice and public health. He worked part time for over 20 years with North Metropolitan Health Services in Western Australia whilst running a private optometry practice. He has had a variety of experience in management and governance roles, including nine years on the WA division of the Council of Optometry. Rodney has an active interest in continuing education for optometrists. He has also served the community through local government (Councillor, City of Subiaco, 13 years) and a number of planning and land use committees in Perth. As part of his transition to retirement Rodney undertook some locum optometry work mostly in rural and remote locations providing him with a greater understanding of the challenges of working in those regions. Rodney is now fully retired from Clinical Optometry.

**Tim Powell**

**B App Sci (Optom); GradCert Clinic Redesign (UTAS)**

**Executive Committee Member (from June 2022)**

**Elected member of Council since 2019**

**Co-opted member of Council from 2018 – 2019**

Tim completed his undergraduate degree at QUT in Brisbane, and moved to Tasmania on graduation. Tim has a strong history of working with local GP's, ophthalmologists, aged care providers and hospital based rehabilitation services. Tim has worked across independent, corporate and franchise optometry practices, being a partner in a large independent practice before becoming partner in a multi-site franchise optometry business which he sold in 2017. He is involved in optometry profession advocacy, and has extensive experience on state and national based boards. He has held positions on state and national Optometry Australia boards, was part of the inaugural allied health advisory committee to the Tasmanian Primary Health Network and the Optometry Australia Rural Optometry Group. Tim has a passion for rural and remote eye care, and has recently completed a Graduate Certificate Course in Clinical Redesign through UTAS, which looks at how we can improve the patient experience and outcomes in our health system.

**Dr Michelle Waugh**

**B. Optom; MSc. PhD**

**Member of Finance & Risk Committee (from June 2022)**

**Elected member of Council since 2021**

Dr Michelle Waugh completed undergraduate optometry and research degrees in glaucoma and Age related Macula Degeneration at the University of Melbourne. She has worked with remote communities in UK and Sri Lanka providing eye care as well as in Australian corporate and public health settings. She is passionate about continuing education and helped to build the ACO education portfolio during her time with the ACO as a manager and Head of Education. She has board experience at community NFP and was part of a Medicare advisory committee for Optometry Australia. She is currently completing an MBA and Graduate Diploma in Data Analytics Management with Melbourne Business School. She is currently a research fellow in the health services research unit at the Centre for Eye Research Australia.

**Meetings of councillors**

During the financial year, five (5) meetings of Council were held. Attendance by each Councillor during the year was as follows:

	Councillor meetings eligible to attend	Councillor meetings attended
S Koh	5	5
T Elia-Adams (from 29 November 2022)	1	1
L Ayton	5	5
D Baker (from 30 May 2022)	3	3
J Chaney (until 30 May 2022)	2	2
L Denehy (until 31 December 2022)	5	5
S Grady (from 12 July 2022)	2	2
D Gronow	5	5
R Hodge	5	5
T Powell	5	5
M Waugh	5	5

Held: represents the number of meetings held during the time the councillor held office or was a member of the relevant committee.

**Australian College of Optometry  
Councillors' report  
31 December 2022**

In addition, the Council did meet on two occasions for strategic planning events in August and December 2022.

**Guarantee by Members**

The entity is registered with the Australian Security and Investment Commission as well as the Australian Charities and Not for Profit Commission 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 \$50 each towards meeting any outstanding obligations of the entity. At 31 December 2022, the amount that members of the company are liable to contribute if the company is wound up is \$20,650 (2021: \$23,900).

**Indemnification and Insurance of Officers and Auditors**

ACO provides insurance cover to Councillors and Officers against loss for which they may not be indemnified by ACO arising from any claim by reason of any wrongful act committed by them in their capacity as a Councillor or Officer. This policy also covers ACO against any legal payment which is made arising out of a claim by reason of any wrongful act committed by any Councillor or Officer of ACO. The amount of the premium paid in respect of this insurance contract is not included as such disclosure is prohibited under the terms of the contract.

The Auditors of ACO are not indemnified out of assets of ACO.

**Proceedings on Behalf of ACO**

No person has applied for leave of Court to bring proceedings on behalf of ACO or intervene in any proceedings to which ACO is a party for the purpose of taking responsibility on behalf of the ACO for all or any part of those proceedings.

ACO was not a party to any such proceedings during the year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-Profits Commission Act 2012 is set out in this report.

This report is made in accordance with a resolution of the councillors.

On behalf of the councillors



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Sophie Koh  
*President*



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Denise Gronow  
*Honorary Treasurer*

24 April 2023

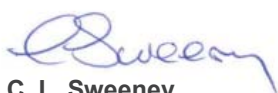
## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN COLLEGE OF OPTOMETRY

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**C. L. Sweeney**  
Director  
Melbourne, 24<sup>th</sup> April 2023



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### **General information**

The financial statements cover both Australian College of Optometry as an individual entity and the consolidated group consisting of Australian College of Optometry and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Australian College of Optometry's functional and presentation currency.

Australian College of Optometry is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

#### **Registered Office**

374 Cardigan St  
Carlton VIC 3053

A description of the nature of the consolidated group's operations and its principal activities are included in the councillors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of councillors, on 5 April 2023. The councillors have the power to amend and reissue the financial statements.

Australian College of Optometry and Controlled Entities  
Councillors' report  
31 December 2022

	Note	Consolidated		Parent	
		2022 \$	2021 \$	2022 \$	2021 \$
<b>Revenue</b>					
Revenue from operating activities	4	16,428,903	17,928,610	16,322,395	17,913,917
<b>Expenses</b>					
Employee benefits expense	5	(9,906,652)	(9,660,937)	(9,906,652)	(9,660,937)
Cost of sales		(1,228,418)	(1,181,806)	(1,228,418)	(1,181,806)
Marketing		(86,917)	(53,911)	(86,917)	(53,911)
Occupancy expense		(587,534)	(487,024)	(587,534)	(487,024)
Administration		(3,871,621)	(5,216,782)	(3,805,254)	(5,149,881)
Research expense		(104,497)	(57,189)	(104,497)	(57,189)
Depreciation and amortisation	5	(1,157,452)	(1,139,197)	(1,157,452)	(1,139,197)
Finance costs		(148,035)	(121,205)	(148,035)	(121,205)
<b>Surplus/(deficit) before income tax expense</b>		(662,223)	10,559	(702,364)	62,767
Income tax expense		-	-	-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Australian College of Optometry</b>		(662,223)	10,559	(702,364)	62,767
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Unrealised gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(1,113,827)	973,415	(58,135)	60,057
Realised gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(58,591)	180,490	(17,032)	7,159
Other comprehensive income for the year, net of tax		(1,172,418)	1,153,905	(75,167)	67,216
<b>Total comprehensive income for the year attributable to the members of Australian College of Optometry</b>		<u>(1,834,641)</u>	<u>1,164,464</u>	<u>(777,531)</u>	<u>129,983</u>

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

Australian College of Optometry and Controlled Entities  
Councillors' report  
31 December 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	2,338,633	2,578,533	1,956,226	2,450,504
Financial assets	8	8,325	2,339,012	8,325	2,339,012
Trade and other receivables	7	575,554	491,255	983,069	937,344
Inventories	9	297,566	295,863	297,566	295,863
Prepayments		129,485	328,152	129,485	328,152
<b>Total current assets</b>		<u>3,349,563</u>	<u>6,032,815</u>	<u>3,374,671</u>	<u>6,350,875</u>
<b>Non-current assets</b>					
Financial assets	8	14,817,048	14,239,953	4,089,596	2,162,251
Property, plant and equipment	10	9,056,149	9,442,519	9,056,149	9,442,519
Right-of-use assets	11	1,669,620	1,636,189	1,669,620	1,636,189
Intangibles	12	-	54,290	-	54,290
<b>Total non-current assets</b>		<u>25,542,817</u>	<u>25,372,951</u>	<u>14,815,365</u>	<u>13,295,249</u>
<b>Total assets</b>		<u>28,892,380</u>	<u>31,405,766</u>	<u>18,190,036</u>	<u>19,646,124</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	13	821,740	1,206,177	821,736	1,205,985
Provisions	14	1,931,771	1,689,684	1,931,771	1,689,684
Lease liabilities	15	137,070	155,492	137,070	155,492
Income received in advance	16	860,750	1,449,817	860,750	1,449,817
<b>Total current liabilities</b>		<u>3,751,331</u>	<u>4,501,170</u>	<u>3,751,327</u>	<u>4,500,978</u>
<b>Non-current liabilities</b>					
Provisions	14	141,093	172,437	141,093	172,437
Lease liabilities	15	1,643,698	1,541,260	1,643,698	1,541,260
<b>Total non-current liabilities</b>		<u>1,784,791</u>	<u>1,713,697</u>	<u>1,784,791</u>	<u>1,713,697</u>
<b>Total liabilities</b>		<u>5,536,122</u>	<u>6,214,867</u>	<u>5,536,118</u>	<u>6,214,675</u>
<b>Net assets</b>		<u>23,356,258</u>	<u>25,190,899</u>	<u>12,653,918</u>	<u>13,431,449</u>
<b>Equity</b>					
Reserves	17	5,167,285	6,281,112	140,726	198,861
Retained surpluses		18,188,973	18,909,787	12,513,192	13,232,588
<b>Total equity</b>		<u>23,356,258</u>	<u>25,190,899</u>	<u>12,653,918</u>	<u>13,431,449</u>

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

Australian College of Optometry and Controlled Entities  
Councillors' report  
31 December 2022

<b>Consolidated</b>	<b>Reserves</b>				<b>Total equity</b> \$
	<b>Asset revaluation- investments</b> \$	<b>Contributed equity</b> \$	<b>Development fund</b> \$	<b>Retained surplus</b> \$	
Balance at 1 January 2021	1,281,760	3,907,819	118,118	18,718,738	24,026,435
Surplus after income tax expense for the year	-	-	-	10,559	10,559
Other comprehensive income for the year, net of tax	1,153,905	-	-	-	1,153,905
Total comprehensive income for the year	1,153,905	-	-	10,559	1,164,464
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Income to Retained Surplus	(180,490)	-	-	180,490	-
Balance at 31 December 2021	<u>2,255,175</u>	<u>3,907,819</u>	<u>118,118</u>	<u>18,909,787</u>	<u>25,190,899</u>

<b>Consolidated</b>	<b>Reserves</b>				<b>Total equity</b> \$
	<b>Asset revaluation- investments</b> \$	<b>Contributed equity</b> \$	<b>Development fund</b> \$	<b>Retained surplus</b> \$	
Balance at 1 January 2022	2,255,175	3,907,819	118,118	18,909,787	25,190,899
Deficit after income tax expense for the year	-	-	-	(662,223)	(662,223)
Other comprehensive income for the year, net of tax	(1,172,418)	-	-	-	(1,172,418)
Total comprehensive income for the year	(1,172,418)	-	-	(662,223)	(1,834,641)
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Income to Retained Surplus	58,591	-	-	(58,591)	-
Balance at 31 December 2022	<u>1,141,348</u>	<u>3,907,819</u>	<u>118,118</u>	<u>18,188,973</u>	<u>23,356,258</u>

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

Australian College of Optometry and Controlled Entities  
Councillors' report  
31 December 2022

Parent	Reserves				Total equity \$
	Asset revaluation- investments \$	Contributed equity \$	Development fund \$	Retained surplus \$	
Balance at 1 January 2021	20,686	-	118,118	13,162,662	13,301,466
Surplus after income tax expense for the year	-	-	-	62,767	62,767
Other comprehensive income for the year, net of tax	67,216	-	-	-	67,216
Total comprehensive income for the year	67,216	-	-	62,767	129,983
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Loss to Retained Surplus	(7,159)	-	-	7,159	-
Balance at 31 December 2021	80,743	-	118,118	13,232,588	13,431,449

Parent	Reserves				Total equity \$
	Asset revaluation- investments \$	Contributed equity \$	Development fund \$	Retained surplus \$	
Balance at 1 January 2022	80,743	-	118,118	13,232,588	13,431,449
Deficit after income tax expense for the year	-	-	-	(702,364)	(702,364)
Other comprehensive income for the year, net of tax	(75,167)	-	-	-	(75,167)
Total comprehensive income for the year	(75,167)	-	-	(702,364)	(777,531)
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Income to Retained Surplus	17,032	-	-	(17,032)	-
Balance at 31 December 2022	22,608	-	118,118	12,513,192	12,653,918

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

	Note	Consolidated		Parent	
		2022 \$	2021 \$	2022 \$	2021 \$
<b>Cash flows from operating activities</b>					
Receipts from patients, other funding sources and members		6,888,883	5,753,808	6,971,318	5,753,808
Payments to suppliers and employees		(16,065,359)	(16,632,755)	(15,960,229)	(16,566,296)
Receipts from government grants		8,313,618	10,377,227	8,797,779	10,549,198
Lease interest expense		(66,519)	(66,250)	(66,519)	(66,250)
Net cash used in operating activities		(929,377)	(567,970)	(257,651)	(329,540)
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment	10	(526,784)	(1,125,832)	(526,784)	(1,125,832)
Purchase of financial assets		(1,040,028)	(6,419,355)	(88,516)	(4,230,146)
Proceeds from sale of financial assets		1,267,818	6,192,380	63,306	4,466,296
Proceeds from sale of plant and equipment		-	3,177	-	3,177
Proceeds from release of term deposits		353,384	-	353,384	-
Dividends received		814,361	693,770	153,522	77,811
Interest received		41,665	34,881	29,400	23,550
Net cash from/(used in) investing activities		910,416	(620,979)	(15,688)	(785,144)
<b>Cash flows from financing activities</b>					
Repayment of lease liabilities		(220,939)	(133,100)	(220,939)	(133,100)
Net cash used in financing activities		(220,939)	(133,100)	(220,939)	(133,100)
Net decrease in cash and cash equivalents		(239,900)	(1,322,049)	(494,278)	(1,247,784)
Cash and cash equivalents at the beginning of the financial year		2,578,533	3,900,582	2,450,504	3,698,288
Cash and cash equivalents at the end of the financial year	6	<u>2,338,633</u>	<u>2,578,533</u>	<u>1,956,226</u>	<u>2,450,504</u>

*The above statements 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 consolidated group 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **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 Australian Charities and Not-for-profits Commission Act 2012, 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 and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *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 consolidated group's and 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.

### **Parent entity information**

These financial statements include the results of both the parent entity and the consolidated group in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian College of Optometry ('company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Australian College of Optometry and its subsidiaries together are referred to in these financial statements as the 'consolidated group'.

Subsidiaries are all those entities over which the consolidated group has control. The consolidated group controls an entity when the consolidated group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Note 1. Significant accounting policies (continued)**

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

#### **Revenue recognition**

The consolidated group recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated group: 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

##### *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.

##### *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**

As the consolidated group is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

#### **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 consolidated group'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.



### **Note 1. Significant accounting policies (continued)**

A liability is classified as current when: it is either expected to be settled in the consolidated group'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.

#### **Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **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 consolidated group 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.

#### *Financial assets at fair value through other comprehensive income*

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

#### *Impairment of financial assets*

The consolidated group 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 consolidated group'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.

## Note 1. Significant accounting policies (continued)

### Property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant, equipment and leasehold improvements	3-10 years
Motor vehicles	7 years

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

Leasehold 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 consolidated group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### 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 consolidated group 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.

## **Note 1. Significant accounting policies (continued)**

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Provisions**

Provisions are recognised when the consolidated group has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### **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.

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.

**Note 1. Significant accounting policies (continued)**

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.

*Grant income*

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.

AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Classification and valuation of investments*

The consolidated group has decided to classify investments in listed securities as Fair Value Through Other Comprehensive Income (FVTOCI) financial assets and movements in fair value are recognised directly in equity through other comprehensive income. The fair value of listed shares has been determined by reference to published price quotations in an active market.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

*Estimation of useful lives of assets*

The consolidated group 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.

## **Note 2. Critical accounting judgements, estimates and assumptions (continued)**

### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### *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.

### *Economic Dependence*

The financial statements have been prepared on a going concern basis. The consolidated group is dependent on the Department of Health (Ageing & Aged Care Branch) for a substantial portion of its revenue needed to support the delivery of the Victorian Eyecare Services in metropolitan and rural Victoria. At the date of this report the Council has no reason to believe that the Department will not continue to support the consolidated group.

## **Note 3. Operating segments**

### *Identification of reportable operating segments*

The consolidated group is organised into 6 operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Councillors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

### Note 3. Operating segments (continued)

#### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

Corporate services	The Corporate Services division provides ongoing support and commercial services to sustain a culture of innovation and collaboration for the improved and efficient supply of shared support services across the entire organisation. Facilitated by innovative and effective technology, systems and process, the corporate services division continues to look for and implement key support systems.
Education, membership & marketing	The EMM division looks to provide best practice in clinical learning pathways for optometrists from pre-registration through to professional practice. The EMM division considers itself to be an innovator and provider of both pre-registration optometry students and optometrists in practice, that meets the current and future needs of the optometry profession and wider community.
Clinical services (VIC & SA)	The Clinical services division of the ACO provides high quality public health eye care for communities in need and leading best practice and standards. At the core of the service is the high quality clinical services that provide for excellent patient experience exceeding client expectations. Clinical initiatives, collaborations, innovation and models of care that lead the way in the profession and increase scope of care as a leading provider of public health eyecare.
National Vision Research Institute	The NVRI undertakes high impact internationally recognised research to improve the understanding of vision science and eye care. Papers are published in high impact journals and presented at high quality conferences to disseminate research outcomes.
Trust funds	The three Trust funds of the Schultz Laubman Schultz fund endowment, the NVRI Governors fund endowment and the Beresford Cambridge fund endowment are held, invested and managed through the ACO and the Perpetual investment firm. With an investment policy that provides for a balanced portfolio of defensive and growth stocks, the three funds are used to provide income sources for the NVRI along with security of the capital funds themselves.

#### *Intersegment transactions*

Intersegment transactions were made at cost. Intersegment transactions are eliminated on consolidation.

#### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

**Note 3. Operating segments (continued)**

*Operating segment information*

	Corporate services	Education, membership and marketing	Clinical services (VIC)	NVRI	Clinical services (SA)	Trust funds	Inter-segment eliminations	Total
<b>Consolidated - 2022</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Government grants	-	-	7,237,812	-	-	-	-	7,237,812
Non-government grants and donations	41,340	1,526	372,147	865,146	-	-	(566,597)	713,562
Government support	-	-	592,420	-	35,788	-	-	628,208
Optical services	-	-	5,240,870	11,047	232,610	-	-	5,484,527
Research and education	-	560,180	-	-	-	-	-	560,180
Dividends and distributions	153,522	-	-	-	-	660,839	-	814,361
Interest revenue	29,400	-	-	-	-	12,264	-	41,664
Property services	144,311	-	-	-	-	-	-	144,311
Membership	-	111,023	-	5,032	-	-	-	116,055
Other	6,299	1,400	581,077	99,447	-	-	-	688,223
Service charge income	2,882,220	110,520	-	-	-	-	(2,992,740)	-
<b>Total revenue</b>	<b>3,257,092</b>	<b>784,649</b>	<b>14,024,326</b>	<b>980,672</b>	<b>268,398</b>	<b>673,103</b>	<b>(3,559,337)</b>	<b>16,428,903</b>
<b>Less: Expenses</b>								
Cost of goods sold	-	-	(1,135,165)	(3,272)	(72,105)	-	-	(1,210,542)
Employee expenses	(1,559,351)	(611,407)	(7,081,852)	(635,651)	(181,806)	-	-	(10,070,067)
Provision for employee benefits	5,522	(54,837)	131,751	(6,705)	(6,009)	-	-	69,722
Reimbursement to optometrists	-	-	(2,101,487)	-	-	-	-	(2,101,487)
Other divisional costs	(592,380)	(175,597)	(158,948)	(116,824)	(14,593)	(632,964)	566,597	(1,124,709)
Operating charges	(548,495)	(11,604)	(368,693)	(10,062)	(38,879)	-	-	(977,733)
Insurance	(136,487)	-	-	-	-	-	-	(136,487)
Depreciation and amortisation	(524,882)	(36,049)	(473,677)	(46,198)	(57,454)	-	-	(1,138,260)
Bad and doubtful debts	-	-	(30,700)	-	-	-	-	(30,700)
Loss on disposal of tangible assets	455	(26,427)	6,364	(297)	-	-	-	(19,905)
Other expenses	(295,739)	-	(47,172)	-	(8,047)	-	-	(350,958)
Service charge expenses	(48,840)	(184,740)	(2,556,840)	(202,320)	-	-	2,992,740	-
<b>Total expenses</b>	<b>(3,700,197)</b>	<b>(1,100,661)</b>	<b>(13,816,419)</b>	<b>(1,021,329)</b>	<b>(378,893)</b>	<b>(632,964)</b>	<b>3,559,337</b>	<b>(17,091,126)</b>
<b>Net result for the year</b>	<b>(443,105)</b>	<b>(316,012)</b>	<b>207,907</b>	<b>(40,657)</b>	<b>(110,495)</b>	<b>40,139</b>	<b>-</b>	<b>(662,223)</b>

**Note 3. Operating segments (continued)**

**Assets**

Unallocated segment assets 28,892,380

**Liabilities**

Unallocated segment liabilities (5,536,122)



**Note 3. Operating segments (continued)**

	Corporate services	Education, membership and marketing	Clinical services (VIC)	NVRI	Clinical services (SA)	Trust funds	Inter-segment eliminations	Total
<b>Consolidated - 2021</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Government grants	-	-	8,244,178	-	28,375	-	-	8,272,553
Non-government grants and donations	1,533,569	17,018	262,514	737,160	-	1,115	(526,280)	2,025,096
Government support	102,250	20,600	532,475	17,975	12,400	-	-	685,700
Optical services	-	-	4,648,677	10,834	175,247	-	-	4,834,758
Research and education	-	718,292	258,254	-	-	-	-	976,546
Dividends and distributions	66,874	-	-	-	-	527,143	-	594,017
Interest revenue	20,971	-	-	-	-	12,716	-	33,687
Property services	116,660	-	-	-	-	-	-	116,660
Membership	-	131,474	-	5,891	-	-	-	137,365
Other	404	1	54,103	159,067	-	-	-	213,575
Service charge income	2,882,220	116,020	-	-	-	-	(2,998,240)	-
<b>Total revenue</b>	<b>4,722,948</b>	<b>1,003,405</b>	<b>14,000,201</b>	<b>930,927</b>	<b>216,022</b>	<b>540,974</b>	<b>(3,524,520)</b>	<b>17,889,957</b>
<b>Less: Expenses</b>								
Cost of goods sold	-	-	(1,116,918)	(1,422)	(48,610)	-	-	(1,166,950)
Employee expenses	(1,689,418)	(573,055)	(6,640,216)	(629,936)	(169,402)	-	-	(9,702,027)
Provision for employee benefits	114,385	(25,698)	(3,604)	(1,221)	(1,900)	-	-	81,962
Reimbursement to optometrists	-	-	(2,173,041)	-	-	-	-	(2,173,041)
Other divisional costs	(1,552,842)	(98,024)	(159,399)	(87,163)	(12,443)	(593,179)	526,280	(1,976,770)
Operating charges	(938,330)	(10,541)	(358,548)	(200)	(49,863)	-	-	(1,357,482)
Insurance	(107,390)	-	-	-	-	-	-	(107,390)
Depreciation and amortisation	(567,280)	(55,708)	(428,717)	(35,207)	(52,285)	-	-	(1,139,197)
Bad and doubtful debts	-	-	(20,615)	-	-	-	-	(20,615)
Loss on disposal of tangible assets	(329)	-	-	-	-	-	-	(329)
Other expenses	(225,902)	-	(82,774)	-	(8,883)	-	-	(317,559)
Service charge expenses	(54,340)	(184,740)	(2,556,840)	(202,320)	-	-	2,998,240	-
<b>Total expenses</b>	<b>(5,021,446)</b>	<b>(947,766)</b>	<b>(13,540,672)</b>	<b>(957,469)</b>	<b>(343,386)</b>	<b>(593,179)</b>	<b>3,524,520</b>	<b>(17,879,398)</b>
<b>Net result for the year</b>	<b>(298,498)</b>	<b>55,639</b>	<b>459,529</b>	<b>(26,542)</b>	<b>(127,364)</b>	<b>(52,205)</b>	<b>-</b>	<b>10,559</b>

### Note 3. Operating segments (continued)

#### Assets

Unallocated segment assets 31,405,766

#### Liabilities

Unallocated segment liabilities (6,214,867)

### Note 4. Revenue from operating activities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Government grants	7,830,232	8,192,860	7,830,232	8,192,860
Non-government grants, trust & donations	714,965	2,185,881	1,281,560	2,640,584
Optical services	5,521,621	4,861,827	5,521,621	4,861,827
Research & education	1,059,870	977,851	1,059,870	977,851
Membership	116,055	137,365	116,055	137,365
Other income	1,186,160	1,572,826	513,057	1,103,430
	<u>16,428,903</u>	<u>17,928,610</u>	<u>16,322,395</u>	<u>17,913,917</u>

#### Disaggregation of revenue

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Geographical regions</i>				
Australia	<u>16,428,903</u>	<u>17,928,629</u>	<u>16,322,395</u>	<u>17,913,936</u>
<i>Timing of revenue recognition</i>				
Services transferred at a point in time	7,422,747	8,620,553	7,316,239	8,605,860
Services transferred over time	9,006,156	9,308,076	9,006,156	9,308,076
	<u>16,428,903</u>	<u>17,928,629</u>	<u>16,322,395</u>	<u>17,913,936</u>

### Note 5. Expenses

Operating (deficit)/surplus is arrived at after charging the following:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>a) Depreciation and amortisation</b>				
Depreciation - buildings	234,130	234,440	234,130	234,440
Depreciation - plant, equipment & leasehold improvements	675,328	698,928	675,328	698,928
Depreciation - motor vehicles	3,696	-	3,696	-
Depreciation - right-of-use assets	190,008	155,488	190,008	155,488
Amortisation - intangible assets	54,290	50,341	54,290	50,341
Total depreciation and amortisation	<u>1,157,452</u>	<u>1,139,197</u>	<u>1,157,452</u>	<u>1,139,197</u>

**Note 5. Expenses (continued)**

	Consolidated		Parent	
	2022	2021	2022	2021
b) Employee benefits expense				
Wages and salaries (inclusive of superannuation)	9,818,413	9,610,910	9,818,413	9,610,910
Workers' compensation costs	24,442	25,277	24,442	25,277
Annual leave movement	17,740	(55,587)	17,740	(55,587)
Long service leave movement	(87,463)	(26,375)	(87,463)	(26,375)
Other non-salary labour costs	133,520	106,712	133,520	106,712
	<u>9,906,652</u>	<u>9,660,937</u>	<u>9,906,652</u>	<u>9,660,937</u>
Total employee benefits expense	<u>9,906,652</u>	<u>9,660,937</u>	<u>9,906,652</u>	<u>9,660,937</u>

**Note 6. Cash and cash equivalents**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Cash on hand	3,240	3,240	3,240	3,240
Cash at bank	1,885,755	2,427,801	1,816,156	2,403,820
Cash held in investment portfolios	449,638	147,492	136,830	43,444
	<u>2,338,633</u>	<u>2,578,533</u>	<u>1,956,226</u>	<u>2,450,504</u>

**Note 7. Trade and other receivables**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Clinic receivables, including Medicare and patients	258,718	203,642	258,718	203,642
Other receivables	355,742	313,706	763,257	759,795
Less: Allowance for expected credit losses	(38,906)	(26,093)	(38,906)	(26,093)
	<u>575,554</u>	<u>491,255</u>	<u>983,069</u>	<u>937,344</u>

**Note 8. Financial assets**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Fixed term investments, at amortised cost	8,325	2,339,012	8,325	2,339,012
<i>Non-current assets</i>				
Investment at fair value	14,817,048	14,239,953	4,089,596	2,162,251
	<u>14,825,373</u>	<u>16,578,965</u>	<u>4,097,921</u>	<u>4,501,263</u>

**Australian College of Optometry**  
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**Note 9. Inventories**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Stock on hand - at cost	297,566	295,863	297,566	295,863

**Note 10. Property, plant and equipment**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Land - at cost	2,200,000	2,200,000	2,200,000	2,200,000
Buildings - at cost	9,377,608	9,377,608	9,377,608	9,377,608
Less: Accumulated depreciation	(5,366,707)	(5,132,577)	(5,366,707)	(5,132,577)
	4,010,901	4,245,031	4,010,901	4,245,031
Plant, equipment and leasehold improvements - at cost	10,070,242	9,609,757	10,070,242	9,609,757
Less: Accumulated depreciation	(7,286,949)	(6,612,269)	(7,286,949)	(6,612,269)
	2,783,293	2,997,488	2,783,293	2,997,488
Motor vehicles - at cost	86,181	80,599	86,181	80,599
Less: Accumulated depreciation	(24,226)	(80,599)	(24,226)	(80,599)
	61,955	-	61,955	-
	9,056,149	9,442,519	9,056,149	9,442,519

*Reconciliations*

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

	Land	Buildings	Plant, equipment and leasehold improvements	Motor vehicles	Total
	\$	\$	\$	\$	\$
<b>Consolidated &amp; Parent</b>					
Balance at 1 January 2022	2,200,000	4,245,031	2,997,488	-	9,442,519
Additions	-	-	461,133	65,651	526,784
Depreciation expense	-	(234,130)	(675,328)	(3,696)	(913,154)
Balance at 31 December 2022	2,200,000	4,010,901	2,783,293	61,955	9,056,149

**Australian College of Optometry**  
**Notes to the financial statements**  
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**Note 11. Right-of-use assets**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Plant and equipment - right-of-use	2,140,859	2,009,413	2,140,859	2,009,413
Less: Accumulated depreciation	(471,239)	(373,224)	(471,239)	(373,224)
	<u>1,669,620</u>	<u>1,636,189</u>	<u>1,669,620</u>	<u>1,636,189</u>

Additions to the right-of-use assets during the year were \$nil and depreciation charged to profit or loss was \$190,008.

The consolidated group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

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

Consolidated & Parent	Land and buildings	Total
	\$	\$
Balance at 1 January 2022	1,636,189	1,636,189
Lease modifications	223,439	223,439
Depreciation expense	(190,008)	(190,008)
Balance at 31 December 2022	<u>1,669,620</u>	<u>1,669,620</u>

**Note 12. Intangibles**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Startup costs	-	280,217	-	280,217
Less: Accumulated amortisation	-	(225,927)	-	(225,927)
	<u>-</u>	<u>54,290</u>	<u>-</u>	<u>54,290</u>

*Reconciliations*

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

Consolidated & Parent	Startup costs	Total
	\$	\$
Balance at 1 January 2022	54,290	54,290
Impairment of assets	(54,290)	(54,290)
Balance at 31 December 2022	<u>-</u>	<u>-</u>

**Australian College of Optometry**  
**Notes to the financial statements**  
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**Note 13. Trade and other payables**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Trade payables	657,035	1,014,669	657,035	1,014,669
Other payables	164,705	191,508	164,701	191,316
	<u>821,740</u>	<u>1,206,177</u>	<u>821,736</u>	<u>1,205,985</u>

**Note 14. Provisions**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Annual leave	669,225	651,485	669,225	651,485
Long service leave	863,599	919,718	863,599	919,718
Provision for VES claims	398,947	118,481	398,947	118,481
	<u>1,931,771</u>	<u>1,689,684</u>	<u>1,931,771</u>	<u>1,689,684</u>
<i>Non-current liabilities</i>				
Long service leave	141,093	172,437	141,093	172,437
	<u>2,072,864</u>	<u>1,862,121</u>	<u>2,072,864</u>	<u>1,862,121</u>

**Note 15. Lease liabilities**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Lease liability	137,070	155,492	137,070	155,492
<i>Non-current liabilities</i>				
Lease liability	1,643,698	1,541,260	1,643,698	1,541,260
	<u>1,780,768</u>	<u>1,696,752</u>	<u>1,780,768</u>	<u>1,696,752</u>
<i>Future lease payments</i>				
Future lease payments are due as follows:				
Within one year	212,440	240,608	212,440	240,608
One to five years	748,390	412,027	748,390	412,027
More than five years	1,377,382	1,595,073	1,377,382	1,595,073
Less future finance charges	(557,444)	(550,956)	(557,444)	(550,956)
	<u>1,780,768</u>	<u>1,696,752</u>	<u>1,780,768</u>	<u>1,696,752</u>

**Australian College of Optometry  
Notes to the financial statements  
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**Note 16. Income received in advance**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Education fees received in advance	213,942	215,229	213,942	215,229
Subsidies and grants received in advance	646,808	1,234,588	646,808	1,234,588
	<u>860,750</u>	<u>1,449,817</u>	<u>860,750</u>	<u>1,449,817</u>

**Note 17. Reserves**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Financial assets at fair value through other comprehensive income reserve	1,141,348	2,255,175	22,608	80,743
General reserve	118,118	118,118	118,118	118,118
Contributed equity reserve	3,907,819	3,907,819	-	-
	<u>5,167,285</u>	<u>6,281,112</u>	<u>140,726</u>	<u>198,861</u>

*Financial assets at fair value through other comprehensive income reserve*

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

*Contributed equity reserve*

The reserve is a cumulative balance of transfer from retained surpluses over historical years.

**Note 18. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the consolidated group:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Audit services</i>				
Audit of the financial statements - William Buck	35,500	-	35,500	-
Audit of the financial statements - McBain McCartin & Co	-	40,350	-	40,350
	<u>35,500</u>	<u>40,350</u>	<u>35,500</u>	<u>40,350</u>

**Note 19. Contingent liabilities**

The consolidated group had no contingent liabilities as at 31 December 2022 (2021: \$nil)

**Note 20. Related party transactions**

*Parent entity*

Australian College of Optometry is the parent entity.

**Australian College of Optometry**  
**Notes to the financial statements**  
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**Note 20. Related party transactions (continued)**

*Subsidiaries*

Interests in subsidiaries are set out in note 22.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*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 21. Key management personnel compensation**

Total income paid or payable, or otherwise made available, to all key management personnel of the consolidated group, including heads of Divisions, from ACO and any related party during the year are as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Short term benefits</i>				
Salary and fees	854,929	996,909	854,929	996,909
Superannuation	153,592	127,259	153,592	127,259
Other benefits	10,754	13,712	10,754	13,712
Total key management personnel contribution	<u>1,019,275</u>	<u>1,137,880</u>	<u>1,019,275</u>	<u>1,137,880</u>

Councillors serve in an honorary capacity. Key management personnel are those person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Any Councillor (whether executive or otherwise) of the entity is considered key management personnel.

**Note 22. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business	Ownership interest	
		2022	2021
		%	%
The Trustee for Schultz Laubman Endowment Fund Trust	Australia	100.00%	100.00%
The Trustee for NVRI Governors Endowment Fund Trust	Australia	100.00%	100.00%
The Trustee for the Beresford Cambridge Bequest Trust	Australia	100.00%	100.00%

**Note 23. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.



In the councillors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's and consolidated group's financial position as at 31 December 2022 and of their 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 councillors.

On behalf of the councillors



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Sophie Koh  
*President*



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Denise Gronow  
*Honorary Treasurer*

24 April 2023

## Australian College of Optometry Independent auditor's report to members

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Australian College of Optometry (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Councillors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### 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 Group in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and 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.

## Other Information

The Councillors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2022, 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 this other information, we are required to report that fact. We have nothing to report in this regard.

## Other Matter

The financial report of the Group for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on the financial report on 02 May 2022.

## Responsibilities of the Councillors for the Financial Report

The councillors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standard to meet the requirements of the ACNC Act and the needs of the members. The councillors' responsibility also includes such internal control as the councillors 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 councillors are responsible for assessing the Group'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 councillors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## 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 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our independent auditor's report.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

*C. L. Sweeney*

**C. L. Sweeney**  
Director

Melbourne, 24<sup>th</sup> April 2023