

Vision 2020

The Right to Sight Australia

ABN 34 094 070 014

Financial Statements

For the Year Ended 30 June 2021

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

For the Year Ended 30 June 2021

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Directors' Report

30 June 2021

Your directors present this report on the Company for the financial year ended 30 June 2021.

(a) General information

(a) Directors

The names of each person who has been a director during the year and to the date of this report are:

Names	Appointed/Resigned
Ms Jacqueline Adams	First appointed 30/11/2017, re-appointed to current term 11/11/2020
Dr David Andrews	First appointed 30/11/2017, resigned 11/11/2020
Mr Dale Cleaver	First co-opted 28/03/2019, first appointed 13/11/2019
Dr Jessica Gallagher	First appointed 27/11/2014, re-appointed to current term 11/11/2020
Mr Andrew Harris	First appointed 29/11/2016, re-appointed to current term 13/11/2019
Mr Tony Starkey	First appointed 13/11/2019
Ms Megan McAlpine	First appointed 30/11/2017, resigned 11/11/2020
Ms Deirdre Hopkins	First appointed 13/11/2019
Ms Maureen O'Keefe	First appointed 26/11/2013, re-appointed to current term 13/11/2019
The Hon Amanda Vanstone	First appointed 14/02/2014, resigned 11/11/2020
The Hon Christopher Pyne	First appointed 11/11/2020
A/Prof Heather Mack	First appointed 11/11/2020
Ms Jane Schuller	First appointed 11/11/2020
Mr Shaun Tatipata	First appointed 11/11/2020

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

(b) Principal Activities

The principal activities of Vision 2020 The Right to Sight Australia during the financial year were to lead advocacy efforts, facilitate sector collaboration and raise community awareness about eye health and vision care in Australia.

No significant change in the nature of these activities occurred during the year.

(c) Key performance measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial performance of the company and whether the company's short-term and long-term objectives are being achieved.

The surplus of Vision 2020 The Right to Sight Australia amounted to \$ 59,257 (2020 Surplus of \$144,356)

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(d) Members guarantee

Vision 2020 The Right to Sight Australia is incorporated under the Corporations Act 2012 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 \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2021 the total amount that members of the company are liable to contribute if the company is wound up is \$840 (2020: \$ 880).

(e) Directors meetings

Five meetings of directors were held during the year, as well as director committee meetings. The attendance by each director during the year was as follows:

	Meetings					
	Directors Meetings		Corporate and Governance Committee		Audit and Finance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Jacqueline Adams	5	4	2	2	0	0
Dr David Andrews	1	0	2	2	2	2
Mr Dale Cleaver	5	4	4	3	0	0
Dr Jessica Gallagher	5	5	0	0	5	4
Mr Andrew Harris	5	4	1	1	2	2
Mr Tony Starkey	5	5	4	4	5	5
Ms Megan McAlpine	1	0	2	2	0	0
Ms Deirdre Hopkins	5	4	4	1	0	0
Ms Maureen O'Keefe	5	5	4	4	0	0
The Hon Amanda Vanstone	1	1	0	0	0	0
The Hon Christopher Pyne	4	4	0	0	0	0
A/Prof Heather Mack	4	4	0	0	3	3
Ms Jane Schuller	4	4	0	0	3	3
Mr Shaun Tatipata	4	2	2	1	0	0

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Directors' Report

30 June 2021

(b) Aims, goals and objectives

The company has three overarching aims:

National: To eliminate avoidable blindness and vision loss in Australia and to enable greater community participation of people who are blind or vision impaired.

Global: To reduce avoidable vision impairment as a global public health problem and to secure access to rehabilitation services for people who are blind or vision impaired in Asia and the Pacific.

Organisational: To operate a respected, effective, efficient and sustainable peak organisation.

Seven goals underpin these aims:

Goal 1: To eliminate avoidable blindness and vision loss in Australia through prevention, early detection and intervention and improved awareness.

Goal 2: To improve the ability of Australians who are blind or vision impaired to participate in the community

Goal 3: To ensure that Aboriginal and Torres Strait Islander people have equity of access to quality eye health and vision care services.

Goal 4: To ensure evidence supports better, sustainable service and program delivery.

Goal 5: To ensure that eye health and vision care is regarded as a public health priority in Asia and the Pacific.

Goal 6: To increase capacity to deliver eye health, vision care and services and supports for independence and participation in Asia and the Pacific.

Goal 7: Vision 2020 Australia's structure and systems ensure its sustainability, capacity to comprehensively represent the eye health and vision care sector as its peak body and support delivery of its work in policy development, advocacy and program coordination, in partnership with members.

To achieve these overarching aims and underpinning goals, the company has adopted the following strategies

National: To eliminate avoidable blindness and vision loss in Australia and to enable greater community participation of people who are blind or vision impaired.

1. To eliminate avoidable blindness and vision loss in Australia through prevention, early detection and intervention and improved awareness

- To secure the support of Australian governments for prevention and early intervention initiatives in policy and funding and recognition of the economic and social benefits of interventions,
- To increase awareness of the importance of prevention and early intervention to eye health and vision care through delivery of health promotion, education and communication activities,
- To improve the efficiency and effectiveness of eye health interventions and initiatives through providing opportunities for sector collaboration and coordinated action,
- To improve the integration of eye health services into the broader health sector.

2. To improve the ability of Australians who are blind or vision impaired to participate in the community

- To improve the evidence base for the social and economic benefits of services and supports for independence and participation,
- To secure the support of Australian governments for services and supports for independence and participation in policy and funding,
- To improve public awareness of the limitations of NDIS and Aged Care funding to encourage continued philanthropy.

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30 June 2021

(b) Aims, goals and objectives

3. To ensure that Aboriginal and Torres Strait Islander people have equity of access to quality eye health and vision care services
 - To secure support for the implementation of the recommendations of the Strong Eyes, Strong Communities plan by all Australian governments,
 - To improve equity of access to quality and culturally appropriate eye health and vision care services through implementation of the recommendations of the Strong Eyes, Strong Communities plan and increased sector collaboration,
 - To establish a national oversight function to set priorities, monitor progress and report outcomes on the Strong Eyes, Strong Communities plan to all stakeholders.
4. To ensure evidence supports better, sustainable service and program delivery
 - To facilitate the sharing of evidence and the measurement of improvements in eye health and vision care,
 - To inform future policy and program development in eye health and vision care at the national, state and territory levels through the implementation and evaluation of the Victorian Vision Initiative,
 - To advocate for funding for research in the area of eye health and vision care to increase the evidence base.

Global: To reduce avoidable vision impairment as a global public health problem and to secure access to rehabilitation services for people who are blind or vision impaired in Asia and the Pacific.

5. To ensure that eye health and vision care is regarded as a public health priority in Asia and the Pacific
 - To secure continued policy support for improvements in eye health and vision care in Asia and the Pacific from the Australian Government,
 - To improve the integration of national eye health plans into the broader health system through regional advocacy and planning,
 - To ensure Australia contributes to the recognition of eye health and vision care as an international public health priority.
6. To increase capacity to deliver eye health, vision care and services and supports for independence and participation in Asia and the Pacific
 - To increase resources for eye health, vision care and services and supports for independence and participation in Asia and the Pacific from various funding sources,
 - To encourage evidence based improvements in eye health and vision care in Asia and the Pacific through sector collaboration,
 - Global Consortium programs are designed, managed and coordinated effectively and efficiently, and meet sector agreed program quality standards (for example gender and disability inclusive programming).

Organisational: To operate a respected, effective, efficient and sustainable peak organisation

7. Vision 2020 Australia's structure and systems ensure its sustainability, capacity to comprehensively represent the eye health and vision care sector as its peak body and support delivery of its work in policy development, advocacy and program coordination, in partnership with members.
 - Vision 2020 Australia is highly respected as the eye health and vision care sector's peak advocacy body, reflected by continued stakeholder support, member retention and positive feedback,
 - Vision 2020 Australia is financially sustainable,
 - Vision 2020 Australia's structure and planning enables achievement of organisational objectives,
 - Vision 2020 Australia employs appropriately qualified staff who are highly capable in their roles and are supported to perform effectively through professional management and development, and a positive workplace culture,
 - Vision 2020 Australia meets its legal and regulatory requirements.

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Directors' Report

30 June 2021

(c) Other items

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  Tony Starkey

Director:  Jane Schuller

Dated this Friday 5th November day of 2021

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor independence requirements as set out in Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Saward Dawson
Saward Dawson

Jeffrey Tulk
Jeffrey Tulk
Partner

Dated: 11 November 2021
Blackburn

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	2,054,112	2,626,432
Employee benefits expense		(1,090,708)	(1,300,022)
Consultants expense		(236,932)	(143,284)
Depreciation expense	6(a)	(5,424)	(11,327)
Stationery and printing expense		(668)	(16,238)
Travel expense		(12,476)	(42,495)
Occupancy expense	3	(59,926)	(76,689)
Promotional events and material expense		(128,511)	(116,093)
Repairs and maintenance expense		(2,411)	(10,786)
Computer support and internet expense		(33,078)	(53,643)
Monitoring, evaluation and planning expense		(39,500)	(61,359)
NSSS funds distributions		(309,978)	(550,487)
Events and catering expense		(12,052)	(22,659)
Other expenses		(63,191)	(76,994)
Surplus for the year		59,257	144,356
Other comprehensive income		-	-
Total comprehensive income for the year		59,257	144,356

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	3,818,568	4,076,995
Trade and other receivables	5	229,396	209,186
Financial assets	7	-	398,802
Prepayments	8	-	10,200
Total current assets		4,047,964	4,695,183
Non-current assets			
Property, plant and equipment	6	12,142	14,212
Total non-current assets		12,142	14,212
TOTAL ASSETS		4,060,106	4,709,395
LIABILITIES			
Current liabilities			
Trade and other payables	9	258,225	370,186
Unearned income	10	2,611,007	3,205,520
Short-term provisions	11	73,773	77,101
Total current liabilities		2,943,005	3,652,807
Non-current liabilities			
Long-term provisions	11	3,483	2,227
Total non-current liabilities		3,483	2,227
TOTAL LIABILITIES		2,946,488	3,655,034
NET ASSETS		1,113,618	1,054,361
EQUITY			
Accumulated surpluses		1,113,618	1,054,361
TOTAL EQUITY		1,113,618	1,054,361

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Accumulated surpluses	Total
	\$	\$
Balance at 1 July 2020	1,054,361	1,054,361
Surplus for the year	59,257	59,257
Balance at 30 June 2021	<u>1,113,618</u>	<u>1,113,618</u>

2020

	Accumulated surpluses	Total
	\$	\$
Balance at 1 July 2019	910,005	910,005
Surplus for the year	144,356	144,356
Balance at 30 June 2020	<u>1,054,361</u>	<u>1,054,361</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
Cash flows from operating activities:		
Receipts from members, government bodies and sponsors	1,588,865	3,900,743
Payments to suppliers and employees	(2,250,165)	(2,543,172)
Interest received	7,425	23,336
	<hr/>	<hr/>
Net cash generated from (used in) operating activities	12 (653,875)	1,380,907
Cash flows from investing activities:		
Redemption/(Placement) of term deposits	398,802	(3,856)
Payment for property plant and equipment	(3,354)	(8,540)
	<hr/>	<hr/>
Net cash used in investing activities	395,448	(12,396)
Net increase in cash held	(258,427)	1,368,511
Cash and cash equivalents at beginning of financial year	4,076,995	2,708,484
	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	4 3,818,568	4,076,995

The accompanying notes form part of these financial statements.

Vision 2020 The Right to Sight Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the directors of the company on the day of the director's report.

(a) Income taxes

The company is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a Health Promotion Charity and is a Deductible Gift Recipient.

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(d) Plant and equipment

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

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over their useful lives to company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Office Furniture and Equipment	10% - 33%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(f) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period that remain unpaid. The balance is recognised as a current liability.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(g) Leases

The Entity as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company has elected to apply the exemptions to lease accounting for both short-term leases (i.e. leases with a term less than or equal to 12 months) and leases of low-value assets. The Company recognised the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Income streams

Revenue recognition relating to grant funding and project contributions are recognised on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services, that is to the extent related expenditure is incurred. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Where performance obligations have not been met, it will result in unearned income at year end.

Membership contributions are received on an annual basis and are recognised as revenue over the life of the membership it relates to.

Sponsorships revenue is recognised when the event has occurred. When the event has not yet occurred, this will result in unearned income.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(j) Revenue from contracts with customers

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

(k) Economic dependence

Vision 2020 The Right to Sight Australia is dependent on Government and other external funding for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the funders will not continue to support Vision 2020 The Right to Sight Australia.

(l) Comparative Figures

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

(m) Critical accounting estimates and judgments

Key judgments - Doubtful debts provision

The directors have reviewed the trade and sundry debtors at year end and believe that the full amount of the debt is recoverable, and no doubtful debt provision is required as at 30 June 2021.

Key judgments - Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, cost, quantity and the period of transfer related to the goods or services promised.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Revenue

	2021	2020
	\$	\$
Operating activities		
- Interest revenue	7,426	23,336
- Government funding	1,688,301	1,953,598
- Member subscriptions	308,385	372,883
- Project income	-	203,615
- Government stimulus package	50,000	50,000
Total revenue	<u>2,054,112</u>	<u>2,603,432</u>

3 Expenses from Ordinary Activities

Rental expense on leases		
Minimum lease payments	<u>59,926</u>	<u>76,689</u>

4 Cash and Cash Equivalents

Cash at bank	3,413,873	4,076,995
Short-term bank deposits	(a) 404,695	-
	<u>3,818,568</u>	<u>4,076,995</u>

(a) Relates to a 1 month term deposit that matures in July 2021.

5 Trade and Other Receivables

CURRENT		
Trade receivables	229,396	264,709
Provision for impairment of receivables	-	(58,890)
	<u>229,396</u>	<u>205,819</u>
Accrued revenue	-	3,367
	<u>229,396</u>	<u>209,186</u>

Trade receivables are non-interest bearing.

These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

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6 Plant and equipment

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	55,689	88,095
Accumulated depreciation	(43,547)	(73,883)
Total office equipment	<u>12,142</u>	<u>14,212</u>
Leasehold improvements		
At cost	-	58,853
Accumulated depreciation	-	(58,853)
Total plant and equipment	<u>12,142</u>	<u>14,212</u>

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

	Office furniture and leasehold equipment	Total
	\$	\$
2021		
Balance at the beginning of the year	14,212	14,212
Additions at cost	3,354	3,354
Disposal proceeds	-	-
Depreciation expense	(5,424)	(5,424)
Carrying amount at the end of the year	<u>12,142</u>	<u>12,142</u>

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Notes to the Financial Statements

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7 Financial Assets

Held-to-maturity investments comprise

	2021	2020
	\$	\$
CURRENT		
Term deposit	(a) -	398,802
	<u>-</u>	<u>398,802</u>

(a) This term deposit matured in June 21 and was reinvested as a 1 month term deposit. The term deposit is now classified under cash and cash equivalents.

8 Other Assets

CURRENT		
Prepayments	-	10,200
	<u>-</u>	<u>10,200</u>

9 Trade and other payables

CURRENT		
Unsecured Liabilities		
Trade payables	183,869	113,082
Other payables	74,356	257,104
	<u>258,225</u>	<u>370,186</u>

The Company has a credit card facility of \$90,000. \$11,057 of this was utilised at year end and is included in other payables.

10 Unearned Income

CURRENT		
Unearned income - Government Grants	2,455,347	2,961,240
Unearned Income - Membership Fees	155,660	244,280
	<u>2,611,007</u>	<u>3,205,520</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Employee Provisions

	2021	2020
	\$	\$
Current	73,773	77,101
Non-current	3,483	2,227
	<u>77,256</u>	<u>79,328</u>

Employee Provisions

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. 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 upon historical data.

12 Cash Flow Information

Reconciliation of cash flows from operations with net current year surplus

Surplus for the year	59,257	144,356
Non-cash flows in result		
Loss on disposals of fixed assets	-	956
Depreciation	5,424	11,327
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(20,210)	164,569
(Increase)/decrease in prepayments	10,200	(300)
Increase/(decrease) in trade payables and accruals	(111,961)	247,403
Increase/(decrease) in unearned income	(594,513)	794,544
Increase/(decrease) in provisions	(2,072)	18,052
Cash flows (used in)/provided by operating activities	<u>(653,875)</u>	<u>1,380,907</u>

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Short Term Leases

Non-cancellable short term leases contracted for but not capitalised in the financial statements

	2021	2020
	\$	\$
Payable - minimum lease payments - not later than 12 months	5,431	6,277
	<u>5,431</u>	<u>6,277</u>

There is a short term lease to occupy part of the office premise of level 3, 33 Lincoln Square South, Carlton, signed 30th July 2019 being subleased from Save the Children Australia.. The lease term was for 12 months and was extended for another twelve months on 1st August 2020 and includes a security deposit guarantee of \$16,250.

Subsequent to year end the company will extend for another 12 months on the 1st August 2021 for significantly less space than the original agreement.

The company has also included monthly congestion levy and car parking rental in the Lincoln Square South lease commitment.

14 Key Management Personnel Compensation

Key management personnel compensation	400,836	458,925
	<u>400,836</u>	<u>458,925</u>

Any person(s) have authority and responsibility for planning, directing, and controlling the activities of the company, directly or indirectly, including its committee members, is considered key management personnel.

15 Related Parties

Transactions with related parties

No related party transactions other than key management personnel remuneration mentioned in Note 14 were noted during the year.

The directors of the Company are not remunerated.

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial assets:		
Cash and cash equivalents	3,818,568	4,076,995
Trade and other receivables	229,396	209,186
Financial assets	-	398,802
	<u>4,047,964</u>	<u>4,684,983</u>
Financial liabilities:		
Trade and other payables	258,225	370,186
	<u>258,225</u>	<u>370,186</u>

17 Events Occurring After the Reporting Date

Although the Company is unable to determine the full extent of the financial impact of the ongoing COVID-19 pandemic on the organisation at the time of signing, the Board do not believe there will be major adverse impact from the COVID-19 pandemic in the 2021/2022 financial year. However, the Board does anticipate there may be changes to revenues due to other factors. On this basis, the Board are currently satisfied that the short term implications will not adversely affect the Company's ability to continue to operate as a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

18 Company Details

Registered office

The registered office of the company at 30 June 2021 is:

Vision 2020 The Right to Sight Australia
Level 3, 33 Lincoln Square South
Carlton 3053

Vision 2020 The Right to Sight Australia

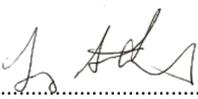
ABN 34 094 070 014

Director's Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 - 21 satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a) complies with Accounting Standards - Reduced Disclosure Requirements
 - b) gives a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director  Tony Starkey

Director  Jane Schuller

Dated 5/11/2021

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

Independent Audit Report to the members of Vision 2020 The Right to Sight Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vision 2020 The Right to Sight Australia (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company 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 Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012, and 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 Company in accordance with the auditor independence requirements of Division 60 of the Australian Charities and Not-for-profits Commission 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.

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

Independent Audit Report to the members of Vision 2020 The Right to Sight Australia

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's 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 the Australian Auditing Standards, we exercise professional judgement 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Vision 2020 The Right to Sight Australia

ABN 34 094 070 014

Independent Audit Report to the members of Vision 2020 The Right to Sight Australia

- Conclude on the appropriateness of the 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 Company'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 Company 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 the directors 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.


Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 11 November 2021



**SAWARD
DAWSON**

Vision 2020
The Right to Sight Australia

**Management Letter for the year ended
30 June 2021**

11 November 2021

Board of Directors
Vision 2020 the Right to Sight Australia
Level 3
33 Lincoln Square
South Carlton VIC 3053

Dear Directors

Vision 2020 the Right to Sight Australia - Management letter for the year ended 30 June 2021

We have completed the audit work for Vision 2020 the Right to Sight Australia for the year ended 30 June 2021.

This letter summarises a number of matters to be considered by your leadership team together with our recommendations for improvement.

We are pleased to report that we have had the co-operation of your staff and full access to records as we have undertaken our audit procedures. We would like to express our appreciation to management for their assistance provided during the audit process. We look forward to working with the organisation in the future.

Should you have any queries please feel free to contact one of the team members.

Yours sincerely



Jeff Tulk
Partner



Matthew Crouch
Director



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1. Audit Scope

The audit for the year ended 30 June 2021 has been completed in accordance with the Australian Auditing Standards.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 company'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 company 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.

2. Directors' Responsibilities

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

3. Audit Status and Expected Opinion

Our audit procedures have now been completed. Based on the audit evidence gathered we expect to issue an unmodified audit report on the financial statements.

We are required to seek formal documentation of representations made by management and the company. We request that a management representation letter outlining these representations be reviewed and approved in conjunction with the signing of the financial report and directors' declaration.

Prior to signing the audit report we will also need to update our documentation in relation to the organisation's going concern position and the latest information relation the current COVID-19 pandemic. Disclosure has been made in the financial report as a subsequent event in accordance with the Australian Accounting Standards.

4. Key Areas of Audit Focus

Our audit procedures are determined based during the planning and risk assessment phase of our audit. Summary outcomes of the work performed in relation to these areas are listed below.

Focus Area	Outcome
Revenue Recognition	<p>For grants we ensured income recognition and carried forward income is in accordance with AASB 15 and 1058 by reviewing funding agreements and testing that the expenses allocated to grants are valid and correctly classified. We are pleased to inform that we did not find any material errors in our testing.</p> <p>We also performed a global analysis on credit transactions recorded in bank to ensure that the revenue recorded in the accounting records is accurate. During this process, we did not find material misstatements.</p>
Debtor impairment	<p>We have performed testing on the accuracy of debtors, and can conclude that we are satisfied with your assessment that the debtor balance at 30 June 2021 is fairly stated.</p>
Payroll testing	<p>Payroll consists of more than 54% of total expenses.</p> <p>To ensure that payroll expenses are materially correct, we:</p> <ul style="list-style-type: none"> - Agreed a sample of employee's gross pay to contracts, - Tested that on a global basis, Superannuation Guarantee Charge paid is 9.5% of total gross pay, - Performed a payroll reconciliation, reconciling gross pay per ADP reports to payroll recorded in the General Ledger. <p>We have also ensured that employee benefit provisions recorded in the statement of financial position have been accurately recorded.</p> <p>During our testing of payroll expenses and employee benefit provisions, we found no material errors to report.</p>
Going Concern	<p>Due to the current global pandemic COVID-19 which has caused global financial crisis, we have assessed the impact on the organisation and its ability to continue as a going concern.</p> <p>We have assessed this as a low risk due to the large cash reserves the organisation has and the relatively minor financial impact on the organisation to date. Management has advised that NSSF funding will roll over into the 21-22 year.</p>

5. 2021 Specific focus areas

We are engaged to conduct an audit in accordance with the Australian Auditing Standards. However, we understand that the Board are interested in a thorough audit process that goes beyond the minimum requirements.

Each year we seek to identify a specific focus area for our audit. This allows us to rotationally review a specific area in greater detail. In previous years we have focused on the payroll, GST compliance, integrity of your supplier master file and application of new Australian Accounting Standards (AASBs).

For the 2021 audit we focussed on your internal control environment during and post the pandemic interruptions. Outcomes of the work performed in relation to this area are listed in the Appendix.

We are always willing to consider new areas of focus. Please let us know if there are areas you would like us to focus in future audits or during the year.

6. Audit Adjustments

As part of the audit process, we report the following adjustments and reclassifications made for the year ended 30 June 2021. These have been discussed and agreed with management. They consist of:

- Reclassification of term deposit from financial asset to cash and cash equivalents (less than 3 months term)
- Leasehold improvements and accumulated depreciation written off as no longer in use and fully written down.

7. Summary of Unadjusted Audit Differences

We advise that there were no unadjusted audit differences identified as part of the audit process.

8. Issues Communicated in Previous Years

We have previously communicated a number of issues identified as part of the audit process. In summary these issues were as follows:

Issues	Progress	Status
2017		
Bank Signatories		Actioned
2018		
Finance Policies and Procedures		Actioned
2019		
Grant Capital Expenditure		Actioned

Issues	Progress	Status
2020		
Application of New Accounting Standards	<p><u>AASB 15 – Revenue</u></p> <p>Management have developed a robust model for current and future income streams, to ensure compliance under AASB 15 and 1058. Future contracts or new income streams will still need to be assessed in line with AASB15 and this assessment should be documented by Management for review by the Audit Committee.</p> <p><u>AASB 16 – Leases</u></p> <p>We understand that leases fell under short term and low value exemptions of AASB 16 during the year, however where a future lease agreement does not meet the definition of short term or low value under the available exemptions, it will be required to be included in the balance sheet as a right-of-use asset and lease liability. We can assist with calculations if this situation occurs.</p>	Actioned
Reconciliations	See Appendix 1 for further details.	Ongoing

Appendix 1

2021 Focus area – Controls during COVID

Assessed risk: Moderate

Observation

In 2020 and 2021 forced government lockdowns and a requirement to work from home, caused organisations to change their processes to adapt. Previous manual or paper based processes were no longer possible, so a move to electronic processing and approval was required. We also know that cyber fraud has significantly risen during the pandemic.

We have reviewed Vision 2020's controls environment across payment, payroll and revenue transaction cycles and while relatively unaffected by the lockdowns, we noted the following:

Area	Pre-pandemic	During lock down	Post lock down
Payments			
Purchase Process	<p>The purchase process involved a hardcopy requisition form being printed, and hand delivered to the manager along with the invoice for approval.</p> <p>Evidence of approval was physically on the requisition form</p>	<p>There was a transition during the year to use an Excel platform for approval of invoices. These email sheets include a copy of the invoice and email approval.</p> <p>This is saved to a shared drive.</p>	<p>This approval process via Excel has continued to be used post lockdown.</p>
EFT Batch Processing	<p>Invoices were printed and attached to each EFT batch payment. The CEO reviewed and physically signed on the file.</p>	<p>Invoices are now submitted and reviewed electronically via a shared excel sheet which includes the imbedding the invoice and relevant approval.</p>	<p>This approval process via Excel has continued to be used post lockdown.</p>
Record Keeping	<p>Batch reports are kept stored electronically with each payment in a separate folder shared only with the finance team.</p>	<p>No change in process.</p>	<p>No change in process.</p>

Area	Pre-pandemic	During lock down	Post lock down
Credit Cards	<p>Credit card statements are generated, and receipts are sent electronically to the Senior Bookkeeper who reconciles monthly.</p> <p>These credit card statements with the invoices are printed off and given to the CEO who physically reviews and signs off as approved.</p> <p>Per Finance Policy all invoices must be provided for substantiation.</p>	Credit card reconciliations are now performed electronically via payment Excel process as described above.	This approval process via Excel has continued to be used post lockdown.
Change of supplier bank account details	Any changes to supplier bank details or details for new suppliers are received via email and forwarded to the Senior Bookkeeper to change.	No change in processes.	No change in processes.
Reconciliations			
Bank reconciliations	Bank reconciliations are performed every month by the Senior Bookkeeper and printed out for the CEO to physically review and sign.	Bank reconciliations are now submitted for review electronically via the same Excel process described above.	The Excel review process has continued to be used post lockdown.
Payroll			
Pay Run Preparation	<p>Payruns are processed and paid externally via ADP and are prepared on a fortnightly basis by the Senior Bookkeeper.</p> <p>Paper copies are kept for records.</p>	<p>Payruns continue to be processed and paid externally via ADP.</p> <p>No paper copies not kept.</p>	<p>Payruns continue to be processed and paid externally via ADP.</p> <p>No paper copies not kept.</p>
Pay Run Review and Authorisation	<p>Pre-pay confirmation report is emailed to the CEO for approval.</p> <p>Once approval has occurred, payment is made via ADP.</p> <p>Once pay run is finalised, the Senior Bookkeeper will enter the pay run into Reckon.</p>	No change in processes.	No change in processes.
Changes to Employees Details	Changes are all made through ADP and will appear on the front of the next ADP pay run report for review.	No change in processes.	No change in processes.

Area	Pre-pandemic	During lock down	Post lock down
Receipting			
Processing into Reckon	There is no cash sent through the mail to Vision 2020. All income is received via EFT and allocated to the correct classification by the accountant.	No change in processes.	No change in processes.

Other observations / recommendation

1 Credit Cards:

We noted during our credit card reconciliation testing there from our sample there were two invoices not attached to substantiate expenses.

We also understand some credit card reconciliations take time to complete as the Senior Bookkeeper is waiting for substantiation to be provided.

As per your Finance Policies and Procedures Manual, all expenses are required to be substantiated with tax invoices/receipts and dockets within 21 days of occurring.

We recommend you consider updating your Finance Policies and Procedures Manual for instances where expense substantiation is lost or unable to be provided and also a more robust way to enforce the provision of credit card substantiation.

2 Reconciliations:

We also noted that credit card and bank reconciliation reviews were not reviewed in a timely manner after being performed. We understand these delays are due to the pandemic and working from home.

We recommend that credit card and bank reconciliation reviews are performed as soon as possible after being completed.

3 Change in process:

We acknowledge managements quick adaption to the changing working environment due to COVID-19 pandemic.

Based on our observations, the main risk arising from the change in processes identified in the table above is IT risk around:

- Storing documents electronically,
- Emailing documents,
- Approval via email.

As emailing of documents and authorisation via emails create potential room for fraud and scams, we encourage that the management assess risk these areas on an ongoing basis in this changing environment, and also to consider how secure the method of undertaking these processes is currently.

Agreed action / comment

	Timeline / Status
Agreed action:	
Responsible:	

General IT controls

Assessed risk: Moderate

Observation and recommendation

Cyber security is an enterprise-wide risk and requires ongoing discussions and board oversight. It has severe reputational and legal ramifications, which directors need to be fully aware of.

Responsible persons in both profit and NFP sectors have legal responsibilities to be act in best interest and discharge their duties with care and diligence. This includes identifying risk and vulnerabilities and implementing mitigating controls to address identified exposures.

During the audit, we undertook a high level review of your IT control environment. We appreciate management's commitment to IT Controls and improvements in this area. We note some of the current IT Controls in place:

- Consideration of IT risks in Risk Register,
- Using external IT contractors where needed,
- IT access authorisations established and administrator rights restricted,
- Password are changed regularly within set parameters,
- Data stored off-site and backed up daily,
- Appropriate controls and physical security to protect information.
- Appropriate IT strategy in place.
- Disaster recovery plan in place.

We identified various issues where there is opportunity for improvement or consideration. A summary of these issues are as follows:

Focus Area	Observation	Recommendation
Data stock take	<p>We noted that Vision 2020 has not performed an organisation wide stocktake.</p> <p>We understand knowledge management has been identified as a priority in the near future and there will be an assessment of how information is collected, stored and managed as part of this.</p> <p>General practice is for any personal information to be maintained and stored with appropriate protections.</p>	<p>We recommend this data stock take work is performed as soon as practical.</p>

Focus Area	Observation	Recommendation
Data Breach Notification Plan	<p>We noted that the organisation does not have a data breach notification plan in place.</p> <p>We understand Vision 2020 hold minimal personal or commercial confidential material and most employees do not have access to that information, however a data breach risk still remains.</p> <p>We also understand that while any data breaches would be escalated to the CEO and managed in accordance with current requirements, there is nothing formally documented specifically for data breaches.</p>	<p>We recommend formally documenting a data breach notification plan to mitigate the risk of potential data breach mistreatment as per best practice.</p>

	Timeline / Status
<p>Agreed action:</p> <p>Responsible:</p>	

Appendix 2

Updates – Regulatory Environment

The Australian regulatory environment continues to change. A summary of significant changes that have been recently announced or implemented are detailed below.

Focus	Updates
<p>ACNC</p> <p>Government response to ACNC legislative review</p>	<p>In June 2021, the Australian Government announced changes to financial reporting obligations of ACNC-registered charities.</p> <p>Charity size will continue to be the determining factor for the level of a charity's financial reporting obligations. However, the size thresholds will be changed. The new thresholds for financial reporting are as follows:</p> <ul style="list-style-type: none"> • Small charity – annual revenue of less than \$500,000 • Medium charity – annual revenue of greater than \$500,000 but less than \$3M • Large charity – annual revenue of greater than \$3M <p>As per the current requirements, small charities will not be required to lodge financial statements with the ACNC. Medium and large charities must lodge financial statements which have been reviewed (an option for medium charities only) or audited.</p> <p>This will be effective for the financial year ending 30 June 2022 and onwards.</p> <p>In addition, the following additional reporting requirements will be established:</p> <ul style="list-style-type: none"> • Large charities with two or more key management personnel will be required to report aggregated remuneration paid to key management personnel on the 2022 annual information statement; and • All charities will be required to report related party transactions in their annual reporting to the ACNC for the financial year ending 30 June 2023 and onwards.
<p>Governance Standards</p>	<p>ACNC Governance Standard 6: <i>Maintaining and Enhancing Public Trust and Confidence in the Australian Not-For-Profit Sector</i> came into effect from 25 February 2021.</p> <p>This standard requires ACNC-registered charities to take reasonable steps to become a participating non-government institution with the National Redress Scheme for Institutional Child Sexual Abuse (the Scheme) if the charity is, or is likely to be, identified as being involved in the abuse of a person in information provided to the Scheme.</p> <p>Organisations must meet certain criteria to be admitted into the Scheme, so not all charities will be eligible to join. However, the responsible persons of the charity are required to take reasonable steps to join the Scheme when the conditions under this governance standard are applicable.</p>

Focus	Updates
<p>Deductible Gift Recipient (DGR) reviews</p>	<p>The ACNC has announced it will begin conducting reviews of charities with DGR endorsement to ensure they remain eligible for their charity registration. They have indicated they expect to conduct approximately 500 reviews per year from 2020-21 onwards.</p> <p>Initially, the ACNC intend to focus on charities registered as Public Benevolent Institutions. Selection for reviews will be based on the following risk criteria:</p> <ul style="list-style-type: none"> • As of February 2020, on the Charity Register, the charity had no governing document listed or had no or only one responsible person listed • The charity was registered as a Public Benevolent Institution before 3 December 2012 • The charity is not regulated by ORIC <p>We recommend that all charities, and Public Benevolent Institutions in particular, review their eligibility to their charity registration on a regular basis. Charities should also consider utilising the Self-Assessment tool available on the ACNC website.</p>
<p>Australian Accounting Standards Updates</p> <p>Commencing from 1 July 2021</p>	<p>AASB 1060 – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</p> <p>This standard replaces the existing Reduced Disclosure Requirements of the Australian Accounting Standards for tier 2 entities preparing general purpose financial reports. This standard provides a single comprehensive standard detailing required disclosures for tier 2 entities, and provides further simplification of existing disclosure requirements under the Reduced Disclosure Requirements.</p>
<p>ASIC & ATO</p> <p>Director Identification Numbers</p>	<p>The Australian Parliament passed legislation in June 2020 to consolidate the Australian Business Register and numerous other registers separately administered by ASIC. This legislation will also implement Director Identification Numbers.</p> <p>A Director Identification Number will be required for all company directors and will introduce proof-of-identity requirements. Transitional arrangements will be designed to ensure that existing company directors will be required to comply with the new regulations.</p> <p>In March 2021, Treasury released draft legislative instruments for public comment. The implementation of these reforms, known as Modernising Business Registers (MBR) program, is expected to take place progressively between 2021 and 2024. However, there are presently no actions required by company directors.</p>

Appendix 3

Quality Assurance

Saward Dawson proudly practices as a member of Chartered Accountants Australia and New Zealand. Our audit processes are subject to quality review by the following parties:

- Australian Securities and Investment Commission - by selection
- Chartered Accountants Australia and New Zealand - on a three yearly rotational basis
- Russell Bedford International Network "Forum of firms" - limited scope annual review with triennial detailed reviews by an international member

Our audit will be undertaken in accordance with the Australian Auditing Standards. Our internal quality assurance process involves partner review and approval of all audit work planned and performed.

Other Board Communication

The purpose of an audit of a financial report is to express an opinion on the financial report. The issues identified in this letter only include matters that have come to our attention during the performance of our audit procedures. The issues raised in this letter are therefore not to be treated as a comprehensive statement of all matters that may exist.

In the course of our audit of the financial report we considered the effectiveness of the company's system of internal controls over financial reporting when determining the nature and extent of our audit procedures. However, our audit was not designed to provide assurance on internal controls.

We would also like to communicate to the directors the following matters:

Matter	Comments
Material uncertainties and going concern	No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt about the entity's ability to continue as a going concern for 12 months from the date of our report.
Disagreement with management	During our audit we received full cooperation from management and had no unresolved disagreements over the application of accounting principles, the scope of our audit or disclosures to be included in the financial statements.
Compliance with laws and regulations	We have not identified any material instances of non-compliance with laws and regulations.
Fraud and illegal acts	We have made enquiries of management regarding knowledge of any actual, suspected, or alleged fraud affecting the entity. This includes fraud involving management, employees who have significant roles in internal control, or others where fraud could have a material effect on the financial report. We have not identified indicators of fraud as a result of these enquiries or from our other audit procedures.
Review of minutes	We have reviewed the minutes of the Board meetings held during the year. No significant matters that were identified as part of this review have not been appropriately reported and disclosed in the financial report.
Independence	We confirm that we follow the independence requirements of the Accounting Professional and Ethical Standards Board. Our internal processes confirmed that no matters have been identified that are considered to impact our independence.



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