

Australian College of Optometry Limited

ACN 004 235 250

Consolidated Financial Statements 31 December 2024

Australian College of Optometry Limited
Directors' report
31 December 2024

The Directors 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 Limited (referred to hereafter as the 'ACO' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

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

S Koh	D Gronow (resigned 30 May 2024)
T Elia-Adams	R Hodge (resigned 30 May 2024)
L Ayton	R Serebrianik
D Baker	B Thomson
M Waugh	L Trinh (appointed 30 May 2024)
S Grady	

Consolidated Group

The Directors of the ACO consider it is a reporting entity as defined by AASB 1053 and the general-purpose financial statements of the ACO have been prepared under Section 60-95 of the Australian Charities and Not-for-profits Commission Act 2012. In preparing these financial statements, the 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.

For completeness, the ACO is the appointed Trustee of the Schultz Laubman Schultz Endowment Fund Trust and the NVRI Governors Endowment Fund Trust, and the Directors of the ACO are the appointed Trustees of 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.

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 the members of the Funds.

Short-term and Long-term Objectives

ACO Board has approved ACO's strategic plan for 2023 - 2026.

- 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:

- **Lead integrated patient centered care:** We will lead the way for new models of patient centered and integrated eye care enabled by research, technology and multiprofessional collaboration. We will do this through translational clinical research, teaching and education, leveraging our data and technologies as one ACO achieving clinical excellence.
- **Evolve organisational capability:** We will evolve our organisational capabilities to deliver models of care and research that have socio-economic impact in reducing the burden of vision impairment and eye disease. We will do this by modernising our governance, redesigning our workforce structures and investing in systems and technologies which attract and retain talent.
- **Financial sustainability:** We secure financial sustainability to enable sustainable growth and minimise organisational risk. We will do this by diversifying revenue streams, workforce transformation and formulating distinctive strategies to reduce financial pressures.
- **Culture of care:** We will embed a culture of caring for each other and for the community through shaping a safe, inclusive and socially responsible workplace. We will do this by ensuring our policies, practices and behaviours embrace equity, diversity and inclusion. We will support new thinking and ideas that lead to continuous improvement, actively addressing social, economic and environmental issues aligned with the mission and values of the ACO.

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 Board to assess the financial sustainability of ACO and whether ACO's short-term and long-term objectives have been achieved. The Board 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, Risk, and Audit 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 the Consolidated Group are set out on page 9.

The consolidated group's result for the year was a deficit of \$1,459,370 (2023: deficit of \$1,514,499) and the comprehensive result for the year was a deficit of \$880,390 (2023: deficit of \$872,594).

The net assets of the consolidated group at 31 December 2024 were \$21,603,274 (2023: \$22,483,664). 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 Directors

Ms Sophie Koh

BOptom (UniMelb), GradCertOcTher, LmusTCL

President (from June 2022 - May 2024)

Chair (from May 2024)

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

Member of the NVRI Board of Administration (from June 2022 to December 2024 when dissolved)

Elected member of Board since 2018

Sophie has special interests in governance and leadership in the not-for-profit sector. Sophie was the recipient of Victoria's Women in Leadership Scholarship program whilst she was on the ACO Board. She is a member of AICD, completed AICD's Company Director's course and GIA's Certificate in Governance. Sophie started her optometry career in the Northern Territory. She has broad experience working in public health and corporate settings across metropolitan, rural and remote Australia. She has extensive experience working in ophthalmology teams and training nurses in the Pacific. Sophie studied her undergraduate degree at the University of Melbourne and Graduate Certificate in Ocular Therapeutics at ACO. She is currently the Director of Professional Services (Engage) at Optometry Australia. She is passionate about empowering students and colleagues to further their knowledge so they can play a wider role in improving the wellbeing of our underprivileged communities locally and overseas.

Ms Theodora Elia-Adams, CA

BCom, MTax, MAICD

Honorary Treasurer (from June 2023 - May 2024)

Chair of the Finance Risk & Audit Committee (from June 2023)

Chair of the NVRI Board of Administration (from June 2023 to December 2024 when dissolved)

Member of the People Culture and Remuneration Committee (from November 2024)

Skills-based member of Board (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 of the Australian Institute of Company Directors. She is an experienced Director and Chair of Audit, Risk & Finance. Theodora has key skills in governance and quality assurance, finance, and risk identification and management. A former EY Partner, Business Advisor and Tax Specialist, she has worked in the medtech, bioscience, health, retail, and banking sectors. 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.

Professor Lauren Ayton, AM

BOptom; PhD; FACO; FAAO; GCOT

Executive Committee Member (from June 2022 - May 2024 when dissolved)

Chair of Research Committee (from May 2024)

Elected member of Board since 2021

Associate Professor Lauren Ayton, AM is an optometrist and medical researcher at the University of Melbourne and Centre for Eye Research Australia. 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 Innovation and Enterprise for the Faculty of Medicine, Dentistry and Health Sciences, 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 is also a Board Director of UsherKids Australia.

Mr Darrell Baker

Dip Optom (SA), CertOcTher, SpecCertMNOD, GAICD

Elected member of Board since May 2022

Deputy Chair (from May 2024)

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.

Mr Roman Serebrianik

B. Optom; PGradDipAdvClinOptom; PGradCertOcTher; FACO

Executive Committee Member (from May 2023 - May 2024 when dissolved)

Elected member of Board since 2023

Roman is an experienced optometrist, educator and public health clinician. He has been involved with the ACO since 2007- as full-time staff for 12 years and more recently as a sessional optometrist, fulfilling a number of clinical and leadership roles, including Lead Optometrist Primary Care and Head of Primary and Specialist Services. Roman has also contributed to the ACO's education offerings, through lectures to undergraduate students as well as involvement its certificate courses. More recently, Roman has worked in senior policy and advocacy roles at Vision 2020 Australia and the Stroke Foundation (current). Roman feels a strong connection with the ACO's core ethos, mission statement and values; and of the unique position of the ACO in providing leadership in Australian optometry, community, allied health service delivery, education and research.

Outside of the ACO, Roman is currently undertaking a Master of Public Health course and is a Standards Representative on select committees for the Consumers' Federation of Australia.

Professor Bruce Thompson AM

B.App.Sci; CRFS; FANZSRs; FAPSR; FThorSoc; Phd

Executive Committee Member (from January 2023 - May 2024 when dissolved)

Member of People Culture and Remuneration Committee (from November 2024)

Professor Bruce Thompson AM is an active clinical scientist, with over 30 years of experience working in hospitals, universities, the community sector and business. He is the current Head of Melbourne School of Health Science at the University of Melbourne. Bruce is a key opinion leader in respiratory medicine nationally and internationally and sits on numerous national and international scientific and clinical committees, and boards for the profession, non-government and not for profit organisations, and industry. He has extensive international reputation across medicine (respiratory and cardiovascular) and biomedical engineering. He is past President of the Thoracic Society of Australia and New Zealand and was the first non-medical president in the history of the society.

His published works include a book on lung function, as well as numerous book chapters and 165 peer-reviewed journal articles and official documents. As an established clinical researcher in lung function, asthma, allergies and respiratory health, Bruce has been awarded competitive grants of over \$35.9M including NHMRC and ARC schemes.

Ms Denise Gronow

CA

Honorary Treasurer (up to May 2023)

Executive Committee Member (up to May 2024)

Chair of the Finance Risk & Audit Committee (up to May 2023)

Chair of the NVRI Board of Administration (up to May 2023)

Skills-based member of Board 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 Board 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.

Mr Rodney A. Hodge (retired May 2024)

B.Sc.Optom

Elected Member of Board 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.

Dr Michelle Waugh
B. Optom; MPhil. PhD, MBA, COT, GradDip-ANAMGT
Member of Finance Risk & Audit Committee (from June 2022)
Elected member of Board since 2021

Dr Michelle Waugh completed undergraduate optometry and postgraduate degrees at the University of Melbourne. She has previously provided eyecare to remote communities in the UK and Sri Lanka as well as in Australian corporate and public health settings. She is a passionate advocate for quality professional education for eyecare practitioners and helped to build the ACO education portfolio during her time with the ACO as a manager and Head of Education. She has built up experience in several NFP board, executive management committee positions (including as Treasurer) and sub-committees which has helped shape her capabilities and competencies within the governance space.

Ms Sayuri Grady
BA. Media, GAICD, GDLP, LLB, LLM
Chair of People and Culture Committee (from November 2024)
Appointed member of the Board since 2021

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 17 years Executive and Senior Executive experience as a lawyer for various Australian Government Departments, including in Foreign Affairs, Prime Minister and Cabinet, Agriculture and 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 an inaugural Board member of the Australian Government Legal Service. Sayuri is a graduate of the Australian Institute of Company Directors.

Ms. Lien Trinh
B. Optom, GCOT, M. Optom, MScPH
Elected member of the Board since 2024

Lien Trinh holds a Bachelor and Masters degree in Optometry (University of Melbourne, UNSW Sydney), and a Master of Public Health (LSHTM). Lien is a passionate advocate for health equity and dedicated optometrist based in Darwin delivering eye care to communities across the Northern Territory. Lien is also the founder of research translation podcast Talking Eyes. Lien began her optometry career as a clinical resident at the ACO in 2005, and has extensive experience working across not-for-profit, private and corporate sectors of optometry. More recently, she has led a number of key projects as a public health practitioner including Kids NT, an initiative to provide children in the Northern Territory the opportunity for vision screening, and EndTrachoma, a national project to support the elimination of trachoma in remote Indigenous communities. Lien has also worked in the low-income settings internationally as a volunteer optometrist, project officer and lecturer.

Meetings of Directors

During the financial year, 6 meetings of Directors were held. Attendance by each Directors during the year was as follows:

Director	Attended
Denise Gronow	1
Rodney Hodge	2
Sophie Koh	6
Lauren Ayton	6
Michelle Waugh	6
Darrell Baker	6
Sayuri Grady	6
Theodora Elia-Adams	5
Bruce Thompson	5
Roman Serebrianik	4
Lien Trinh	3

In addition, the Board did meet on one occasion for a strategic planning event in August 2024.

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. On 31 December 2024, the amount that members of the company are liable to contribute if the company is wound up is \$17,300 (2023: \$20,650).

Indemnification and Insurance of Officers and Auditors

ACO provides insurance cover to Directors 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 Director 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 Director 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 Directors.

On behalf of the Directors



Sophie Koh
Chair of the Board



Theodora Elia-Adams
Chair of Finance, Risk and Audit Committee

2 May 2025

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

To those charged with governance of Australian College of Optometry

As auditor for the audit of Australian College of Optometry for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian College of Optometry and the entities it controlled during the year.



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



C. L. Sweeney
Director
Melbourne, 2 May 2025

Australian College of Optometry Limited
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General information

The financial statements cover Australian College of Optometry Limited as a consolidated group consisting of Australian College of Optometry Limited 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 Limited's functional and presentation currency.

Australian College of Optometry Limited 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 Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 2 May 2025. The Directors have the power to amend and reissue the financial statements.

Australian College of Optometry Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue			
Revenue from operating activities	4	17,265,048	16,303,935
Expenses			
Employee benefits expense	5	(11,225,952)	(10,697,543)
Cost of sales		(1,259,335)	(1,231,506)
Marketing		(83,240)	(95,904)
Occupancy expense		(565,606)	(615,834)
Administration		(4,199,068)	(3,910,980)
Research expense		(228,600)	(48,291)
Depreciation and amortisation	5	(1,017,998)	(1,057,207)
Other expenses		(10,342)	-
Finance costs		(134,277)	(161,169)
Deficit before income tax expense		(1,459,370)	(1,514,499)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Australian College of Optometry Limited	18	(1,459,370)	(1,514,499)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Unrealised gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		503,085	544,945
Realised gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		75,895	96,960
Other comprehensive income for the year, net of tax		578,980	641,905
Total comprehensive deficit for the year attributable to the members of Australian College of Optometry Limited		<u>(880,390)</u>	<u>(872,594)</u>

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

Australian College of Optometry Limited
Statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,882,048	2,822,565
Financial assets	8	-	8,325
Trade and other receivables	7	388,930	491,514
Inventories	9	241,334	235,600
Prepayments		343,969	305,791
Total current assets		<u>2,856,281</u>	<u>3,863,795</u>
Non-current assets			
Financial assets	8	14,385,220	13,869,404
Property, plant and equipment	10	8,144,899	8,597,734
Right-of-use assets	11	1,562,334	1,730,733
Total non-current assets		<u>24,092,453</u>	<u>24,197,871</u>
Total assets		<u>26,948,734</u>	<u>28,061,666</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,044,957	1,251,600
Provisions	14	1,568,318	1,575,978
Borrowings	13	197,342	99,600
Lease liabilities	15	167,159	155,486
Income received in advance	16	360,349	294,482
Total current liabilities		<u>3,338,125</u>	<u>3,377,146</u>
Non-current liabilities			
Borrowings	13	230,000	362,100
Provisions	14	184,572	108,041
Lease liabilities	15	1,592,763	1,730,715
Total non-current liabilities		<u>2,007,335</u>	<u>2,200,856</u>
Total liabilities		<u>5,345,460</u>	<u>5,578,002</u>
Net assets		<u>21,603,274</u>	<u>22,483,664</u>
Equity			
Reserves	17	6,215,315	5,712,230
Retained surpluses	18	15,387,959	16,771,434
Total equity		<u>21,603,274</u>	<u>22,483,664</u>

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

Australian College of Optometry Limited
Statement of changes in equity
For the year ended 31 December 2024

Consolidated	Reserves				Total equity
	Asset revaluation- investments \$	Contributed equity \$	Development fund \$	Retained surplus \$	
Balance at 1 January 2023	1,141,348	3,907,819	118,118	18,188,973	23,356,258
Deficit after income tax expense for the year	-	-	-	(1,514,499)	(1,514,499)
Other comprehensive income for the year, net of tax	641,905	-	-	-	641,905
Total comprehensive income for the year	641,905	-	-	(1,514,499)	(872,594)
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Income to Retained Surplus	(96,960)	-	-	96,960	-
Balance at 31 December 2023	<u>1,686,293</u>	<u>3,907,819</u>	<u>118,118</u>	<u>16,771,434</u>	<u>22,483,664</u>

Consolidated	Reserves				Total equity
	Asset revaluation- investments \$	Contributed equity \$	Development fund \$	Retained surplus \$	
Balance at 1 January 2024	1,686,293	3,907,819	118,118	16,771,434	22,483,664
Deficit after income tax expense for the year	-	-	-	(1,459,370)	(1,459,370)
Other comprehensive income for the year, net of tax	578,980	-	-	-	578,980
Total comprehensive income for the year	578,980	-	-	(1,459,370)	(880,390)
Transfer - gains/(losses) on disposal of equity instruments at fair value through Other Comprehensive Income to Retained Surplus	(75,895)	-	-	75,895	-
Balance at 31 December 2024	<u>2,189,378</u>	<u>3,907,819</u>	<u>118,118</u>	<u>15,387,959</u>	<u>21,603,274</u>

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

Australian College of Optometry Limited
Statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Receipts from patients, other funding sources and members		7,799,003	7,009,569
Payments to suppliers and employees		(17,707,499)	(16,495,366)
Receipts from government grants		8,877,183	7,968,397
Lease interest expense		(134,277)	(83,147)
Net cash used in operating activities		(1,165,590)	(1,600,547)
Cash flows from investing activities			
Purchase of plant and equipment	10	(368,719)	(516,751)
Purchase of financial assets		(3,660,674)	(1,215,583)
Proceeds from sale of financial assets		3,732,165	2,805,133
Proceeds from sale of plant and equipment		-	107,449
Dividends received		670,255	504,137
Interest received		40,728	161,586
Loan received		95,375	-
Net cash from investing activities		509,130	1,845,971
Cash flows from financing activities			
Proceeds from borrowings		-	461,700
Repayment of borrowings		(129,733)	-
Repayment of lease liabilities		(154,324)	(223,192)
Net cash from/(used in) financing activities		(284,057)	238,508
Net increase/(decrease) in cash and cash equivalents		(940,517)	483,932
Cash and cash equivalents at the beginning of the financial year		2,822,565	2,338,633
Cash and cash equivalents at the end of the financial year	6	<u>1,882,048</u>	<u>2,822,565</u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 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

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian College of Optometry Limited ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Australian College of Optometry Limited 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. Material accounting policy information (continued)

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.

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 right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are 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.

Note 1. Material accounting policy information (continued)

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.

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.

Note 1. Material accounting policy information (continued)

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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Material accounting policy information (continued)

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.

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.

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

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.

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 Board 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 Directors (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.

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.

Australian College of Optometry Limited
Notes to the financial statements
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Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2024	Corporate services \$	Education, membership and marketing \$	Clinical services \$	NVRI \$	Trust funds \$	Inter- segment eliminations \$	Total \$
Revenue							
Government grants	-	-	7,824,210	-	-	-	7,824,210
Non-government grants and donations	-	-	299,670	678,049	530,977	(598,048)	910,648
Government support	-	-	-	-	-	-	-
Optical services	-	-	6,496,057	-	-	-	6,496,057
Research and education	-	670,006	-	-	-	-	670,006
Interest revenue	243,296	-	-	-	-	-	243,296
Property services	206,752	10,000	-	-	-	-	216,752
Membership	-	93,946	-	2,473	-	-	96,419
Other	25,584	8,888	674,418	98,770	-	-	807,660
Service charge income	2,846,322	43,440	-	-	-	(2,889,762)	-
Total revenue	3,321,954	826,280	15,294,355	779,292	530,977	(3,487,810)	17,265,048
Less: Expenses							
Cost of goods sold	-	-	(1,248,776)	(3,535)	-	-	(1,252,311)
Employee expenses	(1,661,289)	(713,403)	(8,425,138)	(259,461)	-	-	(11,059,291)
Provision for employee benefits	(29,052)	(28,602)	(192,958)	(4,392)	-	-	(255,004)
Insurance	(152,040)	-	-	-	-	-	(152,040)
Depreciation and amortisation	(433,232)	(8,851)	(575,862)	-	-	-	(1,017,945)
Bad and doubtful debts	-	-	(8,979)	-	-	-	(8,979)
Other expenses	(1,299,283)	(237,666)	(3,008,578)	(249,558)	(781,810)	598,047	(4,978,848)
Service charge expenses	(10,342)	(182,841)	(2,501,795)	(194,785)	-	2,889,763	-
Total expenses	(3,585,238)	(1,171,363)	(15,962,086)	(711,731)	(781,810)	3,487,810	(18,724,418)
	-	-	-	-	-	-	-
Net result for the year	<u>(263,284)</u>	<u>(345,083)</u>	<u>(667,731)</u>	<u>67,561</u>	<u>(250,833)</u>	<u>-</u>	<u>(1,459,370)</u>
Assets							
Unallocated segment assets							<u>26,948,733</u>
Liabilities							
Unallocated segment liabilities							<u>(5,345,460)</u>

Prior Period Related Adjustment

The consolidated net loss for the year ended 31 December 2024 has been increased by approximately \$114,000 to reflect an inadvertent overstatement of income in the prior period related to the Trust Funds.

Based on materiality levels set by the ACO's auditors, a restatement of the 2023 comparative figures is not required.

Australian College of Optometry Limited
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Note 3. Operating segments (continued)

	Corporate services	Education, membership and marketing	Clinical services (VIC)	NVRI	Clinical services (SA)	Trust funds	Inter- segment eliminations	Total
Consolidated - 2023	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Government grants	-	-	7,937,422	-	19,684	-	-	7,957,106
Non-government grants and donations	-	-	368,270	87,943	-	-	-	456,213
Optical services	-	-	5,378,742	7,066	127,614	-	-	5,513,422
Research and education	-	715,378	-	-	-	-	-	715,378
Dividends and distributions	-	-	-	581,743	-	547,367	(532,144)	596,966
Interest revenue	263,525	-	-	-	-	-	-	263,525
Property services	140,975	-	-	-	-	-	-	140,975
Membership	-	77,450	-	3,409	-	-	-	80,859
Other	22,671	7,940	635,088	(86,559)	-	-	-	579,140
Service charge income	2,882,220	90,012	-	-	-	-	(2,972,232)	-
Total revenue	3,309,391	890,780	14,319,522	593,602	147,298	547,367	(3,504,376)	16,303,584
Less:								
Expenses								
Cost of goods sold	-	-	(1,180,842)	(1,876)	(31,500)	-	-	(1,214,218)
Employee expenses	(1,521,316)	(665,560)	(7,922,046)	(653,346)	(158,630)	-	-	(10,920,898)
Provision for employee benefits	(54,844)	39,257	171,771	79,322	13,404	-	-	248,910
Insurance	(145,565)	-	-	-	-	-	-	(145,565)
Depreciation and amortisation	(479,308)	(6,508)	(494,520)	(22,017)	(54,854)	-	-	(1,057,207)
Bad and doubtful debts	-	-	(33,355)	-	(1,469)	-	-	(34,824)
Other expenses	(1,491,500)	(218,770)	(2,796,850)	(54,912)	(67,652)	(596,741)	532,144	(4,694,281)
Service charge expenses	(25,008)	(182,832)	(2,558,700)	(205,692)	-	-	2,972,232	-
Total expenses	(3,717,541)	(1,034,413)	(14,814,542)	(858,521)	(300,701)	(596,741)	3,504,376	(17,818,083)
Net result for the year	<u>(408,150)</u>	<u>(143,633)</u>	<u>(495,020)</u>	<u>(264,919)</u>	<u>(153,403)</u>	<u>(49,374)</u>	<u>-</u>	<u>(1,514,499)</u>
Assets								
Unallocated segment assets								28,061,666
Liabilities								
Unallocated segment liabilities								(5,578,002)

Australian College of Optometry Limited
Notes to the financial statements
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Note 4. Revenue from operating activities

	Consolidated	
	2024	2023
	\$	\$
Government grants	7,824,210	7,937,422
Non-government grants, trust & donations	987,106	627,475
Optical services	6,502,131	5,533,106
Research & education	1,245,350	1,266,569
Membership	96,418	80,859
Other income	609,833	858,504
	<u>17,265,048</u>	<u>16,303,935</u>

Disaggregation of revenue

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

Timing of revenue recognition

Services transferred at a point in time	7,544,676	7,432,444
Services transferred over time	9,720,372	8,871,491
	<u>17,265,048</u>	<u>16,303,935</u>

Note 5. Expenses

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

	Consolidated	
	2024	2023
	\$	\$
a) Depreciation and amortisation		
Depreciation - buildings	232,033	232,033
Depreciation - plant, equipment & leasehold improvements	573,750	625,836
Depreciation - motor vehicles	15,771	9,848
Depreciation - right-of-use assets	196,444	183,003
Amortisation - intangible assets	-	6,487
Total depreciation and amortisation	<u>1,017,998</u>	<u>1,057,207</u>

	Consolidated	
	2024	2023
b) Employee benefits expense		
Wages and salaries (inclusive of superannuation)	10,929,045	10,917,221
Workers' compensation costs	41,902	29,231
Annual leave movement	128,239	(70,891)
Long service leave movement	126,766	(178,018)
Total employee benefits expense	<u>11,225,952</u>	<u>10,697,543</u>

Australian College of Optometry Limited
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Note 6. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash on hand	3,040	3,040
Cash at bank	1,373,982	2,236,830
Cash held in investment portfolios	505,026	582,695
	<u>1,882,048</u>	<u>2,822,565</u>

Note 7. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Clinic receivables, including Medicare and patients	198,388	265,063
Other receivables	225,735	266,354
Less: Allowance for expected credit losses	(35,193)	(39,903)
	<u>388,930</u>	<u>491,514</u>

Note 8. Financial assets

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Fixed term investments, at amortised cost	-	8,325
<i>Non-current assets</i>		
Investment at fair value	14,385,220	13,869,404
	<u>14,385,220</u>	<u>13,877,729</u>

Note 9. Inventories

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	241,334	235,600

Australian College of Optometry Limited
Notes to the financial statements
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Note 10. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land - at cost	2,200,000	2,200,000
Buildings - at cost	9,377,608	9,377,608
Less: Accumulated depreciation	(5,830,773)	(5,598,740)
	<u>3,546,835</u>	<u>3,778,868</u>
Plant, equipment and leasehold improvements - at cost	10,216,618	9,895,723
Less: Accumulated depreciation	(7,901,542)	(7,328,964)
	<u>2,315,076</u>	<u>2,566,759</u>
Motor vehicles - at cost	112,302	86,181
Less: Accumulated depreciation	(29,314)	(34,074)
	<u>82,988</u>	<u>52,107</u>
	<u><u>8,144,899</u></u>	<u><u>8,597,734</u></u>

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
	\$	\$	\$	\$	\$
Consolidated & Parent					
Balance at 1 January 2024	2,200,000	3,778,868	2,566,759	52,107	8,597,734
Additions	-	-	320,895	46,652	367,547
Depreciation expense	-	(232,033)	(572,578)	(15,771)	(820,382)
Balance at 31 December 2024	<u><u>2,200,000</u></u>	<u><u>3,546,835</u></u>	<u><u>2,315,076</u></u>	<u><u>82,988</u></u>	<u><u>8,144,899</u></u>

Note 11. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - right-of-use	2,419,507	2,391,461
Less: Accumulated depreciation	(857,173)	(660,728)
	<u><u>1,562,334</u></u>	<u><u>1,730,733</u></u>

The \$28,046 movement to the right-of-use assets during the year relate to changes in the variable interest rate linked to the consumer price index and depreciation charged to profit or loss was \$196,445.

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.

Australian College of Optometry Limited
Notes to the financial statements
31 December 2024

Note 11. Right-of-use assets (continued)

Reconciliations

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

	Land and buildings \$	Total \$
Consolidated & Parent		
Balance at 1 January 2024	1,730,733	1,730,733
Lease modifications	28,046	28,046
Depreciation expense	(196,445)	(196,445)
	<u>1,562,334</u>	<u>1,562,334</u>
Balance at 31 December 2024	<u>1,562,334</u>	<u>1,562,334</u>

Note 12. Trade and other payables

	Consolidated 2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	903,168	1,120,032
Other payables	141,789	131,568
	<u>1,044,957</u>	<u>1,251,600</u>

Note 13. Borrowings

	Consolidated 2024 \$	2023 \$
<i>Current liabilities</i>		
Bank loans	197,342	99,600
<i>Non-current liabilities</i>		
Bank loans	230,000	362,100
	<u>427,342</u>	<u>461,700</u>

Borrowings relate to NAB Business Markets Loan with facility limit of \$500,000. This is being repaid at \$10,000 per month with the facility maturity date being 30 October 2028.

Australian College of Optometry Limited
Notes to the financial statements
31 December 2024

Note 14. Provisions

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	799,450	671,211
Long service leave	768,868	718,633
Provision for VES claims	-	186,134
	<u>1,568,318</u>	<u>1,575,978</u>
<i>Non-current liabilities</i>		
Long service leave	<u>184,572</u>	<u>108,041</u>
	<u><u>1,752,890</u></u>	<u><u>1,684,019</u></u>

Note 15. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>167,159</u>	<u>155,486</u>
<i>Non-current liabilities</i>		
Lease liability	<u>1,592,763</u>	<u>1,730,715</u>
	<u><u>1,759,922</u></u>	<u><u>1,886,201</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	233,495	240,388
One to five years	890,123	922,282
More than five years	<u>1,078,898</u>	<u>1,269,582</u>
	<u><u>2,202,516</u></u>	<u><u>2,432,252</u></u>

Note 16. Income received in advance

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Education fees received in advance	188,459	156,541
Subsidies and grants received in advance	171,890	1,917
Other current liabilities	<u>-</u>	<u>136,024</u>
	<u><u>360,349</u></u>	<u><u>294,482</u></u>

Australian College of Optometry Limited
Notes to the financial statements
31 December 2024

Note 17. Reserves

	Consolidated	
	2024	2023
	\$	\$
Financial assets at fair value through other comprehensive income reserve	2,189,378	1,686,293
General reserve	118,118	118,118
Contributed equity reserve	3,907,819	3,907,819
	<u>6,215,315</u>	<u>5,712,230</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. Retained surpluses

	Consolidated	
	2024	2023
	\$	\$
Retained surpluses at the beginning of the financial year	16,771,434	18,188,973
Deficit after income tax expense for the year	(1,459,370)	(1,514,499)
Transfer of prior period gain/(losses) on disposal of equity instruments	75,895	96,960
Retained surpluses at the end of the financial year	<u>15,387,959</u>	<u>16,771,434</u>

Note 19. 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	
	2024	2023
	\$	\$
<i>Audit services</i>		
Audit of the financial statements - William Buck	<u>38,500</u>	<u>38,775</u>

Note 20. Contingent liabilities

The consolidated group had no contingent liabilities as at 31 December 2024 (2023: \$nil)

Note 21. Related party transactions

Parent entity

Australian College of Optometry Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Transactions with related parties

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

Australian College of Optometry Limited
Notes to the financial statements
31 December 2024

Note 21. Related party transactions (continued)

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 22. 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	
	2024	2023
	\$	\$
<i>Short term benefits</i>		
Salary and fees	809,089	590,081
Superannuation	111,827	74,137
Other benefits	83,806	42,329
	<u>1,004,722</u>	<u>706,547</u>
Total key management personnel contribution		

Directors 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 Director (whether executive or otherwise) of the entity is considered key management personnel.

Note 23. 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	
		2024	2023
		%	%
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 24. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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.

Australian College of Optometry Limited
Notes to the financial statements
31 December 2024

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Total comprehensive deficit for the year	<u>(1,167,782)</u>	<u>(1,466,050)</u>

Statement of financial position

	Parent	
	2024	2023
	\$	\$
Total current assets	<u>2,524,807</u>	<u>3,390,731</u>
Total assets	<u>15,401,667</u>	<u>16,801,991</u>
Total current liabilities	<u>3,338,257</u>	<u>3,377,279</u>
Total liabilities	<u>5,345,592</u>	<u>5,578,135</u>
Equity		
Financial assets at fair value through other comprehensive income reserve	109,344	75,478
General reserve	118,118	118,118
Retained surpluses	<u>9,828,612</u>	<u>11,030,260</u>
Total equity	<u><u>10,056,074</u></u>	<u><u>11,223,856</u></u>

Australian College of Optometry Limited
Directors' declaration
31 December 2024

In the Directors' 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 consolidated group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Board of Directors



Sophie Koh
Chair of the Board

2 May 2025



Theodora Elia-Adams
Chair of Finance, Risk and Audit Committee

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

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Australian College of Optometry and its subsidiaries (the Group) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the Councillors' declaration.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

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 Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 have no realistic alternative but to do so.

The Councillors are responsible for overseeing the Group's financial reporting process.

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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.



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



C. L. Sweeney
Director
Melbourne, 2 May 2025