

**ASSOCIATION FOR THE BLIND
OF WESTERN AUSTRALIA INC**

ABN 11 157 291 960

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2011

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

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Entity

This financial report is prepared in Australian Dollars and covers the Association for the Blind of Western Australia (Incorporated), an entity incorporated under the Associations Incorporation Act (1987) of Western Australia.

Registered Office

61 Kitchener Avenue, Victoria Park, Western Australia 6100

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
Revenue from continuing operations	2	9,734,834	9,389,002
Revenue from redevelopment appeal	3	-	187,497
Total Revenue		9,734,834	9,576,499
Costs of sales		(1,588,533)	(1,501,114)
Employee benefits expense		(5,451,163)	(5,337,383)
Rent, rates and property		(832,821)	(312,045)
Community education and fund raising expenses		(181,343)	(136,913)
Vehicle and transport costs		(140,617)	(140,390)
Depreciation and amortisation expense	4	(919,760)	(794,644)
Computer and communications costs		(218,168)	(254,166)
Office expenses		(242,392)	(289,665)
Welfare and allowances		(138,418)	(257,567)
Finance costs	4	(119,368)	(102,777)
Other expenses		(365,077)	(384,438)
Surplus / (deficit) from operations		(462,826)	65,397
Other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		(462,826)	65,397
(Deficit)/surplus attributable to the members of the entity		(462,826)	65,397

The above statement of comprehensive income should be read in conjunction with the accompanying notes set out on pages 6 to 25.

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,559,114	956,928
Trade and other receivables	6	205,115	569,225
Inventories	7	243,195	209,838
Total Current Assets		2,007,424	1,735,991
NON CURRENT ASSETS			
Property, plant and equipment	8	16,913,218	17,672,935
Investments		-	50
Total Non-current Assets		16,913,218	17,672,985
Total Assets		18,920,642	19,408,976
CURRENT LIABILITIES			
Trade and other payables	9	1,391,861	1,496,760
Provisions	10	186,312	145,571
Total Current Liabilities		1,578,173	1,642,331
NON CURRENT LIABILITIES			
Borrowings	13	1,600,000	1,600,000
Provisions	11	376,482	337,832
Total Non-current Liabilities		1,976,482	1,937,832
Total Liabilities		3,554,655	3,580,163
NET ASSETS		15,365,987	15,828,813
EQUITY			
Accumulated surpluses		15,365,987	15,828,813
TOTAL EQUITY		15,365,987	15,828,813

The above statement of financial position should be read in conjunction with the accompanying notes set out on pages 6 to 25.

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
Retained surplus at the beginning of the financial year	15,828,813	15,763,416
Net (deficit) / surplus attributable to the Association's ongoing activities for the year	(462,826)	65,397
Retained surplus at the end of the financial year	15,365,987	15,828,813

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 6 to 25.

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from governments (inclusive of goods and services tax)		3,633,988	4,197,276
Receipts from customers (inclusive of goods and services tax)		2,504,490	2,480,794
Bequests and fund raising		3,089,751	2,626,334
Other operating income		664,596	713,732
Interest received		18,015	20,151
Payments to suppliers and employees		<u>(9,167,947)</u>	<u>(9,686,094)</u>
Net cash inflow from operating activities	12	<u>742,893</u>	<u>352,193</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(658,443)	(1,687,249)
Proceeds from sale of property, plant and equipment		<u>517,736</u>	<u>636,693</u>
Net cash (outflow) from investing activities		<u>(140,707)</u>	<u>(1,050,556)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Borrowings repaid		<u>-</u>	<u>-</u>
Net cash (outflow) / inflow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		602,186	(698,363)
Cash and cash equivalents at the beginning of the financial year		<u>956,928</u>	<u>1,655,291</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,559,114</u></u>	<u><u>956,928</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 6 to 25.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. Summary of Significant Accounting Policies

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

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, and the Associations Incorporation Act 1987.

The directors have determined that the Association for the Blind of Western Australia (Incorporated) is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the directors have early adopted AASB 1053 and AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 July 2010.

AASB 1053 and AASB 2010-2 only mandatorily apply to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 1053 and AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires less disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The financial statements were prepared on a going concern basis which assumes continuity of business activity, realisation of assets and settlement of liabilities in the ordinary course of business. The Association's viability is dependent on generating operating surpluses, continuing financial support by governments and the community and external borrowings or realisation of assets. The Board is of the opinion that the basis upon which the financial statements are presented is appropriate.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The assessment of the impact of these new standards and interpretations is that the application of the standards will not affect the amounts recognised in the financial statements.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The policies have been consistently applied, unless otherwise stated.

(b) Revenue Recognition

Revenue from the sale of goods and services is recognised upon the delivery of the goods or services to customers, and when it is probable that the economic benefit will flow to the Association. Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from bequests and donations is not brought to account until the Association is virtually certain of the income and of compliance with all attached conditions, if any.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Association will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase of plant and equipment or redevelopment of land and buildings are credited to the statement of comprehensive income.

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

(c) Income Tax

The Association is exempt from payment of income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor and not the Association as lessee, are charged as expenses in the periods in which they are incurred.

Lease income from operating leases where the Association is a lessor is recognised in income on a straight-line basis over the lease term.

(e) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and Cash Equivalents

For statement of cash flows presentation purposes, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of the discounting is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

The amount of the impairment loss is recognised in the statement of comprehensive income within costs of sales. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(h) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

(i) Property Plant and Equipment

Land and buildings are shown at cost or valuation, less subsequent depreciation for buildings.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in members' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost, net of tax, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Equipment Funded by Grants	1 year
Loan Equipment	1 year
Motor Vehicles	5 years
Plant and Equipment	5 years
IT Systems	3 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Association policy to transfer the amounts included in other reserves in respect of those assets to accumulated surpluses.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and redemption amount is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method.

(l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Employee Benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and the probability of employees reaching the required period of service to take long service leave.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

**NOTES TO THE FINANCIAL STATEMENTS
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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 Australian Taxation Office 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 taxation authority, are presented as operating cash flows.

(o) Rounding of Amounts

Amounts in the financial report have been rounded off to the nearest dollar.

(p) Comparative Figures

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

(q) New Accounting Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods and have not yet been applied in the financial report. The Association's assessment of the impact of these new standards and interpretations is set out below.

- *AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)*. Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010, introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments are not expected to have any significant impact on the Association's disclosures. The Association intends to apply the amendment from 1 July 2011.

- *AASB 13 Fair Value Measurement (effective for annual reporting periods commencing on or after 1 January 2013)*. AASB 13 establishes

**NOTES TO THE FINANCIAL STATEMENTS
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a single framework for measuring fair value of financial and non-financial items recognised at fair value on the statement of financial position or disclosed in the notes to the financial statements. The Association is continuing to assess the impact of the standard.

- *AASB 2011-9 Presentation of Financial Statements (effective for annual reporting periods commencing on or after 1 July 2013).* AASB 101, amended in June 2011, introduces amendments to align the presentation items of other comprehensive income with US GAAP. The Association will apply the amended standard from 1 July 2013. When the standard is first adopted, there will be changes to the presentation of the statement of comprehensive income. However, there will be no impact on any of the amounts recognised in the financial statements.
- *AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013).* AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The Association is continuing to assess its full impact.
- *Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective for annual reporting periods beginning on or after 1 January 2011).* In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Association will apply the amended standard from 1 July 2011. There will be no impact on any of the amounts recognised in the financial statements.
- *AASB 119 - Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans, actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods, subtle amendments to timing for recognition of liabilities for termination benefits, and employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave*

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not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability. This standard has no impact as there are no annual leave provision amounts that are non-current. The Association will apply this from 1 July 2013.

	2011	2010
	\$	\$
2. Revenue From Continuing Operations		
Continuing activities		
Fundraising income, donations and bequests	3,089,751	2,626,334
Commonwealth Government funding	1,085,563	1,382,499
State and Local Government funding	2,432,514	2,433,206
Telephone and technology sales	2,425,109	2,255,267
Interest received	18,015	20,151
Profit on disposal of property, plant and equipment	19,336	22,698
Other income	664,546	648,847
	<u>9,734,834</u>	<u>9,389,002</u>
3. Revenue From Redevelopment Appeal		
Activities that have concluded		
Donations	-	187,497
Investment income	-	-
	<u>-</u>	<u>187,497</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2011	2010
	\$	\$
4. Expenses		
The (deficit)/surplus from operations includes the following specific expenses:		
Depreciation		
Depreciation of motor vehicles, plant and equipment	518,234	311,840
Depreciation of buildings	401,526	482,804
Total depreciation	<u>919,760</u>	<u>794,644</u>
Finance costs		
Interest and finance charges	<u>119,368</u>	<u>102,777</u>
Rental expenses relating to operating leases		
Minimum lease payments	<u>55,834</u>	<u>27,337</u>

The Association may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Association are important. Details of the amounts paid or payable to the auditor (BDO) for audit and non-audit services provided during the year are set out below.

	2011	2010
	\$	\$
Remuneration of auditor		
Audit and review of financial reports and returns	20,113	26,640
Non-audit services	-	-
	<u>20,113</u>	<u>26,640</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
5. Cash and Cash Equivalents		
Cash at bank	936,146	772,738
Cash on hand	4,550	4,050
Deposits	618,418	180,140
Total cash and cash equivalents	<u>1,559,114</u>	<u>956,928</u>

	2011	2010
	\$	\$
6. Trade and Other Receivables		
Trade receivables	217,887	275,060
Less: Provision for impairment of receivables	<u>(58,178)</u>	<u>(48,423)</u>
	159,709	226,637
Prepayments	45,406	68,701
Other receivables	-	273,887
	<u>205,115</u>	<u>569,225</u>

(a) Impaired trade receivables

As at 30 June 2011 current trade receivables of the Association with a nominal value of \$14,359 (2010 - \$12,920) were impaired. The amount of the provision was \$58,177 (2010 - \$48,423). The individually impaired receivables relate to amounts overdue by more than three months. It was assessed that a portion of the receivables is expected to be recovered.

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**NOTES TO THE FINANCIAL STATEMENTS
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The ageing of these receivables is as follows:

	2011	2010
	\$	\$
3 to 6 months	14,359	12,920

Movements in the provision for impairment of receivables are as follows:

	2011	2010
	\$	\$
At 1 July	48,423	39,635
Provision for impairment recognised during the year	18,228	15,684
Receivables written off during the year as uncollectible	(8,474)	(6,896)
Total provision for impairment of receivables	58,177	48,423

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 30 June 2011, trade receivables of \$84,062 (2010 \$140,620) were past due but not impaired. These relate to customers and clients for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2011	2010
	\$	\$
1 to 3 months	46,116	23,996
3 to 6 months	37,946	116,624
	84,062	140,620

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	2011	2010
	\$	\$
7. Inventories		
Finished goods	243,195	235,838
Less: Provision for impairment of inventories	-	(26,000)
	<u>243,195</u>	<u>209,838</u>

Inventories recognised as an expense during the year to 30 June 2011 amounted to \$1,179,031 (2010: \$1,211,249).

	2011	2010
	\$	\$
8. Property, Plant and Equipment		
Land and buildings		
At valuation	1,974,462	1,974,462
At cost	15,522,901	15,508,184
Less: accumulated depreciation	(2,296,168)	(1,894,642)
	<u>15,201,195</u>	<u>15,588,004</u>
Plant, furniture & equipment at cost	3,828,746	3,758,886
Less: accumulated depreciation	(2,533,185)	(2,091,763)
	<u>1,295,561</u>	<u>1,667,123</u>
Motor vehicles at cost	576,580	603,269
Less: accumulated depreciation	(160,118)	(185,462)
	<u>416,462</u>	<u>417,808</u>
	<u>16,913,218</u>	<u>17,672,935</u>

Land and buildings were valued at 30 June 1992. The valuation was based on going concern market values at the time and was made by Mr. J.K. McNamara, a licensed Valuer and Associate Director of Baillieu Knight Frank.

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Movements in the carrying amount for each class of property, plant and equipment between the beginning and the end of the financial year are:

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Opening net book amount	15,588,004	1,667,123	417,808	17,672,935
Additions	14,717	75,419	568,308	658,444
Disposals	-	(4,918)	(493,483)	(498,401)
Depreciation expense	(401,526)	(442,063)	(76,171)	(919,760)
Closing net book amount	<u>15,201,195</u>	<u>1,295,561</u>	<u>416,462</u>	<u>16,913,218</u>

The building redevelopment undertaken by the Association was partially funded by Lotterywest. As a consequence the Association has entered into a Deed of Trust granting Lotterywest an equitable interest in the property at 61 Kitchener Avenue, Victoria Park, Western Australia and limiting the use of the building to benevolent and charitable purposes. The Deed of Trust expires in May 2028.

	2011 \$	2010 \$
9. Trade and Other Payables		
Trade payables	202,562	186,731
Income received in advance	412,921	558,443
Sundry payables	375,102	389,843
Employee benefits – annual leave	401,276	361,743
	<u>1,391,861</u>	<u>1,496,760</u>

The entire accrual for annual leave is presented as current, since the Association does not have an unconditional right to defer settlement. However, based on past experience, the Association does not expect all employees to take the full amount of accrued leave within the next 12 months.

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	2011	2010
	\$	\$
10. Provisions – Current		
Employee benefits – long service leave	<u>186,312</u>	<u>145,571</u>

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Association does not have an unconditional right to defer settlement. However, based on past experience, the Association does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

	2011	2010
	\$	\$
11. Provisions – Non-Current		
Employee benefits – long service leave	<u>376,482</u>	<u>337,832</u>
Average number of employees during the year	127	127

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
12. Reconciliation of Net Cash from Operating Activities and (Deficit)/Surplus from Operations		
(Deficit) / surplus from operations	(462,826)	65,397
Non-cash flows in the surplus from ordinary activities:		
Depreciation	919,760	794,644
(Profit)/loss on sale of non-current assets	(19,336)	(22,698)
Change in assets and liabilities		
(Increase)/decrease in inventories	(7,357)	21,282
(Increase)/decrease in receivables	354,407	(376,981)
(Decrease)/increase in payables	(144,433)	(137,665)
Increase/(decrease) in provisions	102,678	8,214
Net cash flows from operating activities	<u>742,893</u>	<u>352,193</u>
13. Bank Facility		
Borrowings – non-current	<u>1,600,000</u>	<u>1,600,000</u>
	<u>1,600,000</u>	<u>1,600,000</u>

The bank borrowings of \$1,600,000 (2010: \$1,600,000) are secured by mortgages on certain properties of the Association.

The loan agreement allows that the bank may require principal and interest repayments, or may increase the applicable margin, if any event occurs that increases the bank's risk of accepting interest only payments.

14. Segment Information

The Association provides services within the State of Western Australia to people who are blind and vision-impaired, their carers and families, and to the Western Australian community generally.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

15. Key Management Personnel Disclosures

(a) Directors

The following persons were non-executive members of the Board of the Association for the Blind of WA (Inc) during the financial year:

Debbie Schaffer (President and Chairperson)
Dean Pike (Treasurer)
David Craig
Greg Madson
David Bevan
Peter Hickson
Helen Smith
Dr. Iain Murray
Lana Thompson
Geoff Cowie
Harry Kleyn
David Ligovich
Paul Bell (Ceased service 21 October 2010)
Dr Haruhisa Handa (Ceased service 21 October 2010)
Kim Laurence (Ceased service 21 October 2010)
David Manera (Ceased service 21 October 2010)

No amounts of remuneration have been paid to Board members during the year.

(b) Other Key Management Personnel

Name	Position
Dr MA Crowley	Chief Executive Officer
SM Re	Chief Operating Officer
CJ Whitelock	Director Information Services
CA Solosy	Director Corporate Services
AC Hagan	Director Corporate Development

ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(c) Key Management Personnel Compensation

	2011	2010
	\$	\$
Short term employee benefits	<u>792,754</u>	<u>699,569</u>

(d) Other Transactions With Key Management Personnel

A director of the Association, Mr Peter Hickson, is managing director of Spices Catering Pty Ltd. Spices Catering Pty Ltd provided catering and facilities management services to the Association in prior years.

During the reporting period the Association received nil income from facilities hire (2010: \$68,524) and had nil purchases of catering services from Spices Catering Pty Ltd (2010: \$29,995) on normal commercial terms and conditions.

16. Related Party Transactions

There were no related party transactions other than as disclosed in note 15 above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

17. Commitments

(a) Capital Commitments

There are no capital commitments at balance date.

	2011	2010
	\$	\$
(b) Lease Commitments (as Lessee)		
Operating lease commitments for offices, office equipment and kennels		
- not later than 1 year	39,085	34,664
- later than 1 year but not later than 5 years	65,981	97,659
	<u>105,066</u>	<u>132,323</u>

18. Events Occurring After the Reporting Date

No Matter or circumstance has arisen subsequent to the reporting date that has significantly affected, or may significantly affect, the Association's operations, results or state of affairs in future financial years.

19. Contingent Liabilities

There are no known contingent liabilities at balance date.

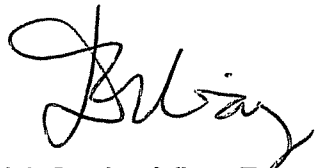
ASSOCIATION FOR THE BLIND OF WA (INC)

STATEMENT BY THE BOARD OF DIRECTORS

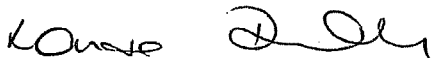
In the opinion of the Board of Directors of the Association for the Blind of Western Australia (Inc):

1. The financial statements set out on pages 1 to 25 present fairly the financial position of the Association for the Blind of Western Australia (Inc) as at 30 June 2011 and its performance for the year ended on that date in accordance with the Australian equivalent of International Financial Reporting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1987;
2. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due; and
3. The Association is complying with the Charitable Collections Act (1946) and the Charitable Collections Regulations (1947).

This statement is made in accordance with a resolution of the Board and is signed on behalf of the Board by:



David Craig, Vice President



L Driscoll, Board Member

Dated at Perth this 29th day of September 2011



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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION FOR THE BLIND OF WESTERN AUSTRALIA INC.

We have audited the accompanying financial report of the Association for the Blind of Western Australia Inc, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board, and for such internal control as the directors' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Opinion

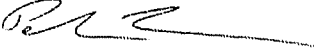
Cash donations are a significant source of revenue for the Association. The Association has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash donations the Association obtained are complete.



Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Association for the Blind of Western Australia Inc as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

BDO Audit (WA) Pty Ltd

BDO


Peter Toll
Director

Perth, Western Australia
Dated this 29th day of September 2011