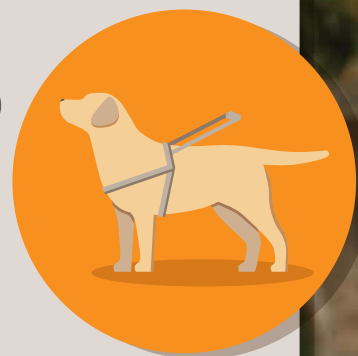


# GUIDE DOGS VICTORIA

Financial Report  
for the Year Ended 30 June 2016



# Guide Dogs Victoria

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For the Year Ended 30 June 2016

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# Guide Dogs Victoria

## Directors' Report

30 June 2016

The Board of Guide Dogs Victoria (the company) is pleased to present the Director's Report for the financial year ended 30 June 2016.

### Principal activities

The principal activities of Guide Dogs Victoria in the course of the financial year were directed towards the provision of Guide Dogs and other Orientation and Mobility services to children and adults in Victoria who are blind or vision impaired and the raising of funds to finance these important services.

### Objectives and strategies

#### Short Term Objective

To provide high quality client services in an efficient and effective manner.

#### Long Term Objective

To provide blind and vision impaired Victorians who need assistance with high quality training and support to maximise their independence.

### Strategies

To achieve these objectives, the company has adopted the following strategies:

- Be the provider of choice for the delivery of Guide Dog and Orientation and Mobility services;
- Build a financially sustainable business model;
- Deliver a mix of fundraising activities to support the delivery of our services;
- Increase the profile and levels of trust in the Guide Dogs Victoria brand through professional and integrated communications; and
- Provide an environment to enable our people to safely perform to their potential and enjoy what they do every day.

### Performance measures

Guide Dogs Victoria operations for the financial year in meeting its services to clients recorded a net gain of \$2,687,464 (2015: net gain of \$940,056).

During the 2015/16 financial year, Guide Dogs Victoria serviced 1,102 clients (2015: 1,537 clients), a 20% decrease on the prior financial year.

A further review of the operations of Guide Dogs Victoria during the financial year and the results of those operations is contained in the 2016 Annual Report.

# Guide Dogs Victoria

## Directors' Report

30 June 2016

### Director's Meetings

The number of meetings of Directors (including Audit & Risk Management (A & RM), Membership (M'Ship), Remuneration (Rem), Marketing & Fundraising (M&F) Committee meetings and Social Reform and Governance (SR & Gov) Committee meetings) held during the financial year, and the number of meetings attended by each Director was as follows:

	Directors meetings	A & RM meetings	M'Ship meetings	Rem meetings	M&F meetings	SR & Gov meetings
Number of meetings held	6	3	2	2	2	4
<b>Current Board Members</b>						
Charles Thompson (President - Elected 25th November 2015)	5	1	2	2	-	4
Iain Edwards (Vice President - Elected 25th November 2015)	6	1	2	2	1	3
Bruce Porter (Hon. Treasurer)	5	2	-	-	-	4
Betty Amsden OAM	5	-	-	-	2	-
Jenny Gray (Co-opted February 2016)	2	-	-	-	1	-
Graeme Houghton	6	-	-	-	2	-
Maria Mercurio (Co-opted February 2016)	2	-	-	-	-	-
John Rayner (Vice President - Resigned 1st December 2015)	2	2	-	-	-	-
Sally Scott (Resigned February 2016)	1	-	-	-	-	-
Russell A Walker (President - Resigned 25th November 2015)	3	-	-	-	-	1
Gary Williams	6	3	-	-	-	-

### Committee membership

The Company had an **Audit & Risk Management Committee**. Members of the Board on the Committee during the financial year were:

- Bruce Porter (Chairman)
- Iain Edwards - Commenced 1st December 2015
- John Rayner - Resigned 1st December 2015
- Charles Thompson - Commenced 25th November 2015
- Gary Williams

The Company had a **Membership Committee**. Members of the Board on the Committee during the financial year were:

- Charles Thompson (Chairman) - Commenced 25th November 2015
- John Rayner (Chairman) - Resigned 1st December 2015
- Iain Edwards - Commenced 1st December 2015
- Bruce Porter
- Russell A Walker - Resigned 25th November 2015

The Company had a **Remuneration Committee**. Members of the Board on the Committee during the financial year were:

- Charles Thompson (Chairman) - Commenced 25th November 2015
- John Rayner (Chairman) - Resigned 1st December 2015
- Iain Edwards - Commenced 1st December 2015
- Bruce Porter
- Russell A Walker - Resigned 25th November 2015

# Guide Dogs Victoria

## Directors' Report

30 June 2016

### Director's Meetings (continued)

The Company had a **Marketing and Fundraising Committee**. Members of the Board on the Committee during the financial year were:

- Betty Amsden (Chairperson)
- Iain Edwards
- Jenny Gray - Commenced February 2016
- Graeme Houghton
- Maria Mercurio - Commenced February 2016
- Sally Scott - Resigned February 2016

The Company had a **Social Reform and Governance Committee**. Members of the Board on the Committee during the financial year were:

- Charles Thompson (Chairman)
- Iain Edwards - Commenced 25th November 2015
- Bruce Porter
- Gary Williams
- Russell A Walker - Resigned 25th November 2015

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. As a Charity the company is governed by the *Australian Charities and Not-for-profits Commission Act 2012*. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding contributions of the entity. As at 30 June 2016, total amount that members (unpaid and paid members) of the company are liable to contribute if the company is wound up is \$1,160 (2015: \$1,580).

### Auditors Independence Declaration

The lead auditor's independence declaration in accordance with section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 30 June 2016 has been received and can be found on page 4 of the financial report.

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

Director:



Charles Thompson, President

Director:



Bruce Porter, Hon. Treasurer

Dated this 28 day of September 2016

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF GUIDE DOGS VICTORIA LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2016 there have been:

- (i) No contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

**ShineWing Australia**  
Chartered Accountants



Scott Phillips  
Partner

Melbourne, 28 September 2016

# Guide Dogs Victoria

## Statement of Comprehensive Income For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
<b>Revenue</b>			
Fundraising and bequests	2(a)	9,803,057	8,392,074
Funding for capital purposes		1,896,495	1,076,568
Revenue from merchandise sales		2,203,692	2,562,820
Revenue from the provision of dogs and mobility services	2(b)	1,806,024	1,840,278
Rental revenue		35,037	36,629
Finance revenue	2(c)	208,316	284,333
Other income	2(d)	147,514	38,252
<b>Total Revenue</b>		<b>16,100,135</b>	<b>14,230,954</b>
<b>Expenditure</b>			
Fundraising and bequests	3(c)	(2,990,437)	(3,439,722)
Cost of merchandise sales		(2,057,593)	(2,288,838)
Cost of provision of dogs and mobility services	3(b)	(6,165,426)	(5,221,089)
Community information and public education		(558,819)	(378,406)
Corporate services		(1,440,878)	(1,261,785)
Other expenses	3(d)	(199,518)	(701,058)
<b>Total Expenditure</b>	3(a)	<b>(13,412,671)</b>	<b>(13,290,898)</b>
<b>Gain before income tax</b>		<b>2,687,464</b>	<b>940,056</b>
Income tax expense		-	-
<b>Net Gain For The Year</b>		<b>2,687,464</b>	<b>940,056</b>
<b>Other comprehensive income</b>			
Net loss on re-measurement of available-for-sale financial assets		(101,250)	(27,046)
<b>Total Comprehensive Gain for the year</b>		<b>2,586,214</b>	<b>913,010</b>

The accompanying notes form part of these financial statements.



# Guide Dogs Victoria

## Statement of Financial Position 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,525,994	1,889,141
Trade and other receivables	5	1,148,026	585,048
Inventories	6	806,237	765,426
Financial assets	7	2,074,523	2,246,626
<b>Total Current Assets</b>		<b>7,554,780</b>	5,486,241
<b>Non-Current Assets</b>			
Financial assets	7	1,252,868	1,809,820
Property, plant and equipment	8	7,708,319	6,671,543
Intangible assets	9	-	12,290
Investment property	10	-	190,799
<b>Total Non-Current Assets</b>		<b>8,961,187</b>	8,684,452
<b>Total Assets</b>		<b>16,515,967</b>	14,170,693
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	575,889	832,732
Provisions	12	829,816	829,609
<b>Total Current Liabilities</b>		<b>1,405,705</b>	1,662,341
<b>Non-Current Liabilities</b>			
Provisions	12	87,879	72,183
<b>Total Non-Current Liabilities</b>		<b>87,879</b>	72,183
<b>Total Liabilities</b>		<b>1,493,584</b>	1,734,524
<b>Net Assets</b>		<b>15,022,383</b>	12,436,169
<b>Accumulated Funds</b>			
Reserves	13(a)(b)	4,987,752	5,089,002
Retained earnings	13(c)	10,034,631	7,347,167
<b>Total Accumulated funds</b>		<b>15,022,383</b>	12,436,169

The accompanying notes form part of these financial statements.



## Guide Dogs Victoria

### Statement of Changes in Equity For the Year Ended 30 June 2016

	Retained Earnings	General Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	6,407,111	4,800,000	316,048	11,523,159
Net gain for the year	940,056	-	-	940,056
Other comprehensive loss	-	-	(27,046)	(27,046)
<b>Balance at 30 June 2015</b>	<b>7,347,167</b>	<b>4,800,000</b>	<b>289,002</b>	<b>12,436,169</b>

	Retained Earnings	General Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>7,347,167</b>	<b>4,800,000</b>	<b>289,002</b>	<b>12,436,169</b>
Net gain for the year	2,687,464	-	-	2,687,464
Other comprehensive loss	-	-	(101,250)	(101,250)
<b>Balance at 30 June 2016</b>	<b>10,034,631</b>	<b>4,800,000</b>	<b>187,752</b>	<b>15,022,383</b>

The accompanying notes form part of these financial statements.

# Guide Dogs Victoria

## Statement of Cash Flows For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers and donors	13,947,813	12,660,826
Payments to suppliers and employees	(13,947,570)	(13,105,003)
Interest received	30,563	116,163
Special project donations	610,495	1,151,568
Receipt of government grants	1,476,740	1,298,512
Dividends received	149,001	134,325
<b>Net cash inflows from operating activities</b>	<b>2,267,042</b>	<b>2,256,391</b>
<b>Cash flows from investing activities:</b>		
Payments for available-for-sale investments	(405,053)	(2,420,493)
Proceeds from the sale of available-for-sale investments	996,281	959,656
Proceeds from sale of investment property	229,269	-
Payments for property, plant and equipment	(1,450,686)	(2,228,188)
<b>Net cash outflows in investing activities</b>	<b>(630,189)</b>	<b>(3,689,025)</b>
Net cash increase/(decrease) in cash and cash equivalents held	1,636,853	(1,432,634)
Cash and cash equivalents at beginning of year	1,889,141	3,321,775
<b>Cash and cash equivalents at end of financial year</b>	<b>3,525,994</b>	<b>1,889,141</b>

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The accompanying notes form part of these financial statements.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of significant accounting policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of tiers of Australian Accounting Standards and AASB 2010 - 2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The company is a not-for-profit company for financial reporting purposes under the Australian Accounting Standards. The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

#### (b) Revenue and Other Income

Revenue is recognised where it can be reliably measured in the period to which it relates.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Bequests are recognised as income when three conditions are met, (1) the company obtains control of the bequest or the right to receive the bequest; (2) it is probable that the economic benefits comprising the bequests will flow to the company and (3) the amount of the bequest can be measured reliably. Bequests received in the form of investments or other non-cash items are taken into account at their fair value.

Dividend revenue is recognised when the right to receive the payment is established. Interest revenue is recognised using the interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rental revenue from the investment property is accounted for on a straight-line basis over the lease term.

Grant revenue is recognised when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations are recognised as revenue as received.

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

#### (c) Inventories

Inventory is represented by guide dogs on hand and dogs in training, and finished goods for merchandise products sold through the commercial activities of the company.

Finished goods held for resale is measured at the lower of cost or current replacement cost and net realisable value. The cost of finished goods for merchandise comprises costs of acquisition which includes the cost incurred in bringing each product to its present location.

Guide dogs and dogs in training are valued at the lower of cost or current replacement cost and net realisable value in accordance with Australian Accounting Standards. The Directors are of the view however that these dogs have little intrinsic value as they will not be realised in the normal course of business. Nevertheless, in order to comply with Australian Accounting Standards they have been valued in accordance with AASB 102. The cost of guide dogs and dogs in training inventories comprises all costs directly related to the production of guide dogs with carrying values of these dogs expensed when they are issued to clients or removed from the program.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### (d) Taxes

#### ***Goods and Services Tax (GST)***

Revenues, expenses and assets are recognised net of the amount of the GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO); and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows included in receipts from customers or payments to suppliers.

#### ***Income Tax***

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

### (e) Financial Instruments

#### ***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument.

For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified at fair value through 'profit or loss' in which case transaction costs are expensed to 'profit or loss' immediately.

#### ***Classification and subsequent measurement***

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices (current bid prices) in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted, including recent arm's length transactions, reference to similar instruments, and option pricing models.

#### ***(i) Amortised cost***

Amortised cost is calculated as the amount at which the financial assets or liabilities were initially recognised less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial maturity amount calculated using the effective interest method.

#### ***(ii) Financial assets at fair value through profit or loss***

Financial assets are classified at fair value through 'profit or loss' when they are held for trading for the purpose of short-term profit taking, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in 'profit or loss'.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### Classification and subsequent measurement (continued)

#### **(iii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in 'profit or loss' through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

#### **(iv) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in 'profit or loss' through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

#### **(v) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such fair value (gains and losses) recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset, previously recognised in other comprehensive income, is reclassified into 'profit or loss'.

Available-for-sale financial assets are included in current assets, except for those which are expected to be disposed of 12 months after the end of the reporting period.

#### **(vi) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in 'profit or loss'.

### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in 'profit or loss'.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### (f) Employee Benefits

#### Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

#### Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in 'profit or loss' as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

### (g) Accumulated Funds

The classification 'Accumulated Funds' has been used in the accounts of Guide Dogs Victoria as it is a company limited by guarantee and has no shareholders. It is the Directors' opinion that the use of the classification 'Shareholders Equity' would be misleading.

### (h) Property, Plant and Equipment

The property where Guide Dogs Victoria mainly operates is crown land and accordingly the land value is not included in the Statement of Financial Position.

All items of buildings, plant and equipment are carried at the lower of cost, less accumulated depreciation and impairment losses.

All acquisitions of buildings, plant and equipment are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to acquisition.

Buildings, plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

Building, plant and equipment is depreciated on a straight line method over the expected useful lives of the assets commencing from the time the asset is held ready for use. The following estimated useful lives are used in the calculation of depreciation.

Class of Fixed Asset	Useful Life
Buildings	10 to 50 years
Plant and Equipment	3 to 10 years

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### **(h) Property, Plant and Equipment (continued)**

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### **(i) Investment Property**

Investment property, comprising commercial premises, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost.

After initial recognition, investment property is accounted for in accordance with the cost model as set out in AASB 116 Property, Plant and Equipment - cost less accumulated depreciation and less accumulated impairment losses. Investment property is depreciated on a straight line method over its expected useful life of 30 years.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in 'profit or loss'.

### **(j) Impairment of Assets**

At the end of each reporting period, the company reviews the carrying values of its tangible assets and intangible assets with finite life to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the 'profit or loss'.

### **(k) Trade and Other Receivables**

Trade and other receivables are financial instruments (loans and receivables) and are recognised and carried at original invoice amount less a provision for any impairment. They are not recognised at amortised cost due to their short term nature. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

### **(l) Trade and Other Payables**

Liabilities for trade creditors and other payables are financial instruments (financial liabilities) and are recognised and carried at cost which is the amount estimated to be paid in settlement. Payables to related parties are carried at the principal amount.

### **(m) Cash and cash equivalents**

Cash and cash equivalents include cash at bank and on hand, and any short-term deposits with an original maturity 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.

### **(n) Intangible Assets**

Computer software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.



# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### (o) Critical Accounting Estimates and Judgements

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

#### Valuation of guide dogs

Dogs are valued based on the costs incurred in the breeding, puppy raising and kennels/dog training departments. The costs are allocated based on the estimated number of dogs coming through the three stages of producing a guide dog. The estimate is based on the average dogs born over the last two years as this likely represents the life cycle of the program from the time when the puppy is born, raised and has successfully become a guide dog. An obsolescence factor is also applied.

### (p) Financial Risk Management

The company's activities are confined to investment in cash and cash equivalent assets. The Board holds a long-term view of investing, and holds cash equivalent assets to maturity. The Board keeps informed of market risks through monthly meetings, and there has been no significant change in the strategy used to manage financial risk from the previous period.

### (q) Provisions

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

### (r) Comparative Figures

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

### (s) Adoption of New and Revised Accounting Standards

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### (s) Adoption of New and Revised Accounting Standards (continued)

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in 'profit or loss' and unwinding of the liability in principal and interest components;

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### (s) Adoption of New and Revised Accounting Standards (continued)

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 2 Revenue

	Notes	2016 \$	2015 \$
<b>(a) Fundraising and bequests</b>			
Donations		4,969,787	4,548,252
Bequests		4,833,270	3,843,822
<b>Total fundraising and bequest revenue</b>		<b>9,803,057</b>	<b>8,392,074</b>
<b>(b) Revenue from provision of dogs and mobility services</b>			
Government grants for services		1,476,740	1,298,511
Provision of in-kind goods		85,354	120,744
Revenue from sale of goods and provision of services		243,930	421,023
<b>Total revenue from provision of dogs and mobility services</b>		<b>1,806,024</b>	<b>1,840,278</b>
<b>(c) Finance Revenue</b>			
Income from investments		176,962	116,163
Bank Interest		30,563	167,569
Other		791	601
<b>Total finance revenue</b>		<b>208,316</b>	<b>284,333</b>
<b>(d) Other income</b>			
Gain on disposal of investment property	10	43,312	-
Net gain on disposal of financial assets		-	38,252
Others		104,202	-
<b>Total other income</b>		<b>147,514</b>	<b>38,252</b>

### 3 Expenditure

		2016 \$	2015 \$
<b>(a) Total expenditure items include</b>			
Defined contribution plan superannuation		631,848	574,988
Employee benefits expense		6,478,103	6,102,087
Depreciation and amortisation		332,281	303,212
<b>(b) Cost of provision of dogs and mobility services</b>			
Cost of guide dog services and dogs sold		4,272,056	3,317,256
Decrease in dog inventory valuation		2,786	178,257
Cost of mobility services		1,890,584	1,725,576
<b>Total cost of the provision of dogs and mobility services</b>		<b>6,165,426</b>	<b>5,221,089</b>
<b>(c) Cost of fundraising &amp; bequests includes:</b>			
Fundraising activity aimed at enhancing the associated returns in future years		1,091,818	1,776,222
<b>(d) Other expenses:</b>			
Net loss on disposal of financial assets		64,538	-
Loss on disposal of property, plant and equipment		30,536	617,007
Management cost		51,604	32,077
Fringe benefit expense		37,692	34,184
Bad and doubtful debts	5(b)	12,166	16,418
Sundry expenses		2,982	1,372
<b>Total other expenses</b>		<b>199,518</b>	<b>701,058</b>

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 4 Cash and Cash Equivalents

	Notes	2016 \$	2015 \$
Cash at bank		3,525,394	1,888,741
Cash on hand		600	400
<b>Total cash and cash equivalents</b>	18	<b>3,525,994</b>	<b>1,889,141</b>

### 5 Trade and other receivables

		2016 \$	2015 \$
Trade receivables	(a)	422,879	211,022
Provision for doubtful debts	(b)	(5,380)	(10,605)
		<b>417,499</b>	<b>200,417</b>
Prepayments		52,049	83,387
Sundry receivables		676,302	183,655
Goods and service tax		2,176	117,589
<b>Total trade and other receivables</b>	18	<b>1,148,026</b>	<b>585,048</b>

Included in trade receivables as at 30 June 2016 are balances owing from relating parties amounting to \$89,083 (2015: \$31,126) (see Note 20).

Trade receivables are non-interest bearing and are generally on 30 to 60 day terms. A provision for impairment is recognised when there is objective evidence that a trade receivable is impaired.

#### (a) Aged analysis

As at 30 June, the aged analysis of trade receivables is as follows:

	2016 \$	2015 \$
0-30 days	384,943	156,847
31-60 days	20,409	33,598
61-90 days	7,659	6,721
90+ days	9,868	13,856
	<b>422,879</b>	<b>211,022</b>

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The above table details the company's trade receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 5 Trade and other receivables (continued)

(b) Movement in the provision for doubtful debts is as follows:

	2016	2015
Notes	\$	\$
As at 1 July	10,605	5,612
Charge for the year	12,166	16,418
Written off	(17,391)	(11,425)
<b>As at 30 June</b>	<b>5,380</b>	<b>10,605</b>

### 6 Inventories

	2016	2015
	\$	\$
Finished goods	148,245	104,647
Guide dogs and dogs in training	657,992	660,779
	<b>806,237</b>	<b>765,426</b>

The amount of inventory recognised as expense during the year ended 30 June 2016 was \$1,878,579 (year ended 30 June 2015: \$2,221,581).

### 7 Financial Assets

	2016	2015
	\$	\$
<b>Current</b>		
Financial assets available-for-sale	2,074,523	2,246,626
<b>Non-current</b>		
Financial assets available-for-sale	1,252,868	1,809,820
<b>Total</b>	<b>3,327,391</b>	<b>4,056,446</b>

18

### 8 Property, plant and equipment

	2016	2015
	\$	\$
<b>Buildings</b>		
At cost	7,741,588	6,713,218
Less accumulated depreciation	(909,913)	(744,101)
<b>Total buildings</b>	<b>6,831,675</b>	<b>5,969,117</b>
<b>Plant and equipment</b>		
At cost	1,951,912	2,099,566
Less accumulated depreciation	(1,075,268)	(1,397,140)
<b>Total plant and equipment</b>	<b>876,644</b>	<b>702,426</b>
<b>Total property, plant and equipment</b>		
At cost	9,693,500	8,812,784
Less accumulated depreciation	(1,985,181)	(2,141,241)
<b>Total property, plant and equipment</b>	<b>7,708,319</b>	<b>6,671,543</b>

8(a)

8(a)

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 8 Property, plant and equipment (continued)

#### (a) Movements in carrying amounts:

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

	Notes	2016 \$	2015 \$
<b>Buildings</b>			
Carrying amount at beginning		5,969,117	4,584,632
Additions at cost		1,110,856	2,122,980
Write down of buildings		(82,485)	(616,885)
Reclassification		-	23,202
Depreciation expense		(175,726)	(144,812)
Write-back of depreciation from write down of buildings		9,913	-
<b>Net carrying value</b>		<b>6,831,675</b>	<b>5,969,117</b>

#### Plant and equipment

Carrying amount at beginning		702,426	744,693
Additions at cost		339,830	105,208
Disposal		(487,484)	(122)
Reclassification		-	(23,202)
Depreciation		(140,155)	(124,181)
Write-back of depreciation from disposal of plant and equipment		462,027	-
<b>Net carrying value</b>		<b>876,644</b>	<b>702,426</b>

### 9 Intangible Assets

		2016 \$	2015 \$
<b>Computer software</b>			
At cost		58,687	214,780
Accumulated amortisation	9(a)	(58,687)	(202,490)
<b>Total Intangible Assets</b>		<b>-</b>	<b>12,290</b>

#### (a) Movements in carrying amounts:

Reconciliation of the carrying values of intangible assets between the beginning and end of the current financial year

		2016 \$	2015 \$
<b>Computer software</b>			
Carrying amount at beginning		12,290	40,082
Amortisation charge		(12,290)	(27,792)
<b>Net carrying value</b>		<b>-</b>	<b>12,290</b>



# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 10 Investment Property

	2016 \$	2015 \$
<b>Investment property</b>		
Investment property - at valuation	230,000	230,000
Accumulated depreciation	(44,043)	(39,201)
Disposal	(230,000)	-
Depreciation reversal	44,043	-
<b>Closing balance as at 30 June</b>	<b>-</b>	<b>190,799</b>

#### (a) Movements in carrying amounts:

Reconciliation of the carrying values of investment property between the beginning and end of the current financial year:

	2016 \$	2015 \$
<b>Investment property</b>		
Carrying amount at beginning	190,799	197,255
Depreciation charge	(4,842)	(6,456)
Disposal	(230,000)	-
Write-back of depreciation from disposal of investment property	44,043	-
<b>Net carrying value</b>	<b>-</b>	<b>190,799</b>

Investment property comprises of a commercial property that is leased to a third party. Rental revenue from investment property during the year amounted to \$35,037 (2015: \$36,629). The fair value of the property is based on an independent valuation on 2 September 2014. On April 2016, the company sold its investment property for \$230,000. Gain on disposal of investment property amounted to \$43,312.

### 11 Trade and other payables

		2016 \$	2015 \$
	<b>Notes</b>		
Trade payables	11(i)	207,971	635,913
Other payables	11(ii)	302,836	73,399
Deferred revenue	11(iii)	-	38,509
Related party payables		-	6,526
Fringe benefits tax payable		-	10,191
Withholding tax payable		65,082	68,194
<b>Total trade and other payables</b>	<b>18</b>	<b>575,889</b>	<b>832,732</b>

(i) Trade payables are non-interest bearing and are generally settled on 30 to 60 day terms.

(ii) Other payables are non-interest bearing and are generally on 30 to 90 day terms.

(iii) For terms and conditions relating to related party payables refer to Note 20.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 12 Provisions

	2016 \$	2015 \$
<b>Current</b>		
Employee benefits - Long service leave	445,918	475,569
Employee benefits – Annual leave*	383,898	354,040
<b>Total current employee benefits</b>	<b>829,816</b>	<b>829,609</b>
<b>Non-current</b>		
Employee benefits - Long service leave	87,879	72,183
<b>Total Provisions</b>	<b>917,695</b>	<b>901,792</b>

\* This includes a \$41,345 provision for time in lieu

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

#### Analysis of total provisions

	Long service leave \$	Annual Leave* \$	Total \$
Opening balance at 1 July 2015	547,752	354,040	901,792
Additional provision raised during the year	102,896	465,473	568,369
Amounts used	(116,851)	(435,615)	(552,466)
<b>Balance at 30 June 2016</b>	<b>533,797</b>	<b>383,898</b>	<b>917,695</b>

### 13 Reserves and retained earnings

#### (a) General reserve

This reserve equates to the level of funds required at balance date to meet the company's current obligations, operating commitments and special purpose funds' obligations, and includes a prudential margin for unforeseen events.

#### (b) Financial Asset Reserve

The financial asset reserve records fair value increments and decrements (that do not represent impairment write-downs) in measuring financial assets that are classified as available-for-sale.

#### (c) Retained Earnings

Total retained earnings to the end of the financial year of 30 June 2016 includes an amount of \$657,992 (2015: \$660,779) representing valuation of Guide Dogs that in the normal course of the organisation's operations will not be realised.

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 14 Liability of Members

Guide Dogs Victoria is a company limited by guarantee and in accordance with the Memorandum of Association the liability of members (paid and unpaid members) in the event the company being wound up would not exceed \$20 per member. As at 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$1,160 (2015: \$1,580).

### 15 Remuneration of Directors

Directors are not eligible and have not been remunerated for their services (2015: Nil).

### 16 Remuneration of Auditors

	2016	2015
Notes	\$	\$
Amount received or due and receivable by the auditors for:		
- Audit services	<u>43,000</u>	<u>42,000</u>

### 17 Commitments

	2016	2015
	\$	\$
Motor vehicles and office equipment operating leases	(i) <b>1,156,215</b>	588,130
Property lease	(ii) <b>120,225</b>	119,678
<b>Total lease commitments</b>	<u><b>1,276,440</b></u>	<u>707,808</u>
Total lease commitments are payable as follows:		
- not later than one year	<b>475,636</b>	237,673
- later than one year and not later than two years	<b>386,101</b>	218,191
- later than two years and not later than five years	<b>414,703</b>	251,944
	<u><b>1,276,440</b></u>	<u>707,808</u>

i) Guide Dogs Victoria has entered into commercial operating leases for its fleet of motor vehicles and rental agreements for its office equipment. Contracts for motor vehicles have an average life of between 4 to 5 years. These are non-cancellable operating leases contracted for but not recognised in the financial statements.

ii) Guide Dogs Victoria entered into a rental agreement for a regional office. The related commitment includes an amount of \$26,260 (2015: \$60,577) that was recouped under a sub-lease.

### 18 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, investments in government and fixed interest securities, investments in listed shares, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	3,525,994	1,889,141
Trade and other receivables*	5	1,095,997	501,661
Available-for-sale financial assets	7	3,327,391	4,056,446
<b>Total financial assets</b>		<b>7,949,382</b>	<b>6,447,248</b>
<b>Financial Liabilities</b>			
Trade and other payables**	11	575,889	794,223
<b>Total financial liabilities</b>		<b>575,889</b>	<b>794,223</b>

\*excludes prepayments  
\*\*excludes deferred revenue

The Audit & Risk Management Committee of the Board is responsible for monitoring and managing the company's compliance with its risk management strategy. The risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies and strategies are approved by the Board and reviewed on a regular basis by the Audit & Risk Management Committee. These include credit risk policies and future cash flow requirements.

### Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

### Recurring fair value measurements

	Level 1 \$	Total \$
<b>2016</b>		
<b>Financial Assets</b>		
<b>Available-for-sale financial assets</b>		
- shares in listed investments	2,074,523	2,074,523
- government and fixed interest securities	1,252,868	1,252,868
	<b>3,327,391</b>	<b>3,327,391</b>
<b>2015</b>		
<b>Financial Assets</b>		
<b>Available-for-sale financial assets</b>		
- shares in listed investments	2,246,626	2,246,626
- government and fixed interest securities	1,809,820	1,809,820
	<b>4,056,446</b>	<b>4,056,446</b>

# Guide Dogs Victoria

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 19 Key Management Personnel

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

	2016	2015
	\$	\$
<b>Key Management Personnel</b>	<b>332,385</b>	<b>300,049</b>

### 20 Related Parties

The Directors of Guide Dogs Victoria who were in office during the financial year unless otherwise stated are:

* C Thompson	* J Gray (co-opted Feb 16)
* R A Walker (resigned 25/11/15)	* G Houghton
* I Edwards	* M Mercurio (co-opted Feb 16)
* J Rayner (resigned 1/12/15)	* S Scott
* B Porter	* G Williams
* B Amsden	

Directors received no remuneration for their services. There were no transactions with Directors or their associated entities during the year which require separate disclosure.

Guide Dogs Victoria is a state Member Association of Royal Guide Dogs Australia.

The following table provides the total amount of transactions that were entered into with related parties other than Directors during the financial year.

Related Party	Sales to (\$)		Purchases from (\$)		Other transactions from (\$)		Owing to (\$)		Owing By (\$)	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Guide Dogs QLD	134,118	-	5,000	-	55,864	56,588	-	5,290	50,267	10,286
Guide Dogs NSW/ACT	20,620	40,000	-	-	50,154	56,632	-	1,236	20,270	9,258
Guide Dogs SA/NT	35,816	59,992	-	-	14,223	-	-	-	-	1,220
Royal Guide Dogs Association of TAS	2,434	-	-	-	732	-	-	-	-	-
Association for the Blind of WA Inc	48,685	61,533	-	-	-	-	-	38,509	6,559	10,362
Guide Dogs Australia	147,224	-	-	-	-	-	-	-	11,987	-
<b>Total</b>	<b>388,897</b>	<b>161,525</b>	<b>5,000</b>	<b>-</b>	<b>120,973</b>	<b>113,220</b>	<b>-</b>	<b>45,035</b>	<b>89,083</b>	<b>31,126</b>

Terms and conditions of transactions with related parties are detailed below:

Transactions between the organisation and its fellow state Member Associations are made at arm's length. Such transactions are both at market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest-free and settlement at between 14 and 60 days.

For the year ended 30 June 2016, Guide Dogs Victoria has not made any allowance for impairment loss relating to amounts owing by related parties as the payment history has been excellent.

### 21 Company Details

The registered office of the company is:

Guide Dogs Victoria

2- 6 Chandler Highway, Kew, Vic 3101

# Guide Dogs Victoria

## Directors' Declaration

The directors of Guide Dogs Victoria (a company limited by guarantee) declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the Australian Charities and Not-for-profit Commission Act 2012 and:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Director

Charles Thompson, President



Director

Bruce Porter, Hon. Treasurer

Dated this 28 day of September 2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUIDE DOGS VICTORIA LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Guide Dogs Victoria Limited, which comprises the statement of financial position as at 30 June 2016 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The responsible entities are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The responsible entities' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation 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 statements based on our audit. We have 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 statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that gives a true and fair view 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 statements.

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 Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Guide Dogs Victoria Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

*Opinion*

In our opinion the financial report of Guide Dogs Victoria Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

ShineWing Australia

**ShineWing Australia**  
Chartered Accountants

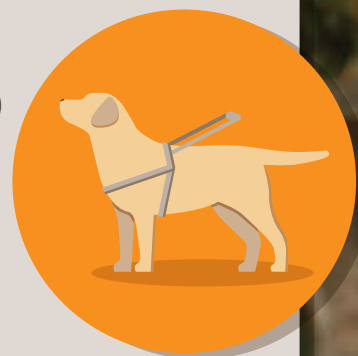


Scott Phillips  
Partner

Melbourne, 28 September 2016

# GUIDE DOGS VICTORIA

Performance Statement  
for the Year Ended 30 June 2016



# Guide Dogs Victoria

## Performance Statement 30 June 2016

KPI	Actual	Target	Variance %	Note	2014/15 Full year Actual	Variance from Prior year
<b>Service</b>						
Training & Support Programs Delivered	2,390	2,800	(15%)	1	2,751	(13%)
Clients assisted	1,380	1,384	0%	1	1,537	(10%)
Allocation of fully trained Guide Dogs and Pets as Therapy Dogs	37	56	(34%)	2	53	(30%)
Number of guide dog users	211	220	(4%)		213	(1%)
<b>People</b>						
Employee engagement	91%	> 90%	1%		94%	(3%)
Volunteer engagement	97%	> 90%	7%		90%	7%
Lost Time Injury Frequency rate	16	10	(60%)	3	11	(45%)
<b>Finance</b>						
Operating Result	2,687,464	371,771	625%	4	940,056	186%
Operating Result Prior to Capital Purpose Income	790,969	(881,157)	190%	5	(136,512)	679%
Working Capital Position	6,149,075	3,315,625	85%	5	3,823,900	61%
<b>Environment</b>						
Water consumption (Volume purchased kl)	4,404	N/a	Nil	6	3,909	13%
Waste water spills	-	-	N/a		-	N/a

Guide Dogs Victoria elected in 2015 to include an audited Performance Statement with the annual audited Financial Statement. The Performance Statement includes the results of the internally prescribed service, people, financial and environmental performance indicators and measures and an explanation of material variations in the results.

Where applicable, the results in the audited Performance Statement have been prepared on the accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from Guide Dogs Victoria information.

The Performance Statement presents the actual results for the current year and prior year and the current year targets set by Guide Dogs Victoria's strategic plan.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements.

1. Long service leave was taken by a number of long serving Orientation and Mobility staff during the 2016 financial year. As a sector, there is a severe shortage of the Orientation and Mobility skill set which meant leave was unable to be backfilled, in turn resulting in fewer programs being delivered. In the 2017 financial year, there is an increased focus on cadet training so as to grow this skill set internally.

# Guide Dogs Victoria

## Performance Statement

30 June 2016

2. Our breeding facility was under construction for four months of the year as part of the facilities upgrade, thus fewer dogs were bred, which resulted in fewer Guide Dogs and Pets as Therapy Dogs. Breeding is planned to increase in the 2017 financial year with a full year of operations.
3. Lost time incidents increased from two to three occurrences during the 2016 financial year. Unfortunately, this small increase in occurrences results in a large percentage change. This is relatively small when considering we only have 16 lost time incidents for every 1 million man hours.
4. The increase in operating result is due to a significant increase in bequest revenue, as well as receiving a large gift towards the capital appeal to redevelop the Kew campus.
5. The favourable increase in operating result prior to capital purpose income, and in the working capital position, is due to the significant increase in bequest revenue noted in 4. above.
6. The kennels upgrade, including improvements to the surrounding gardens, resulted in an increase in water consumption.

## Directors' Declaration

30 June 2016

The Directors of Guide Dogs Victoria (a company limited by guarantee) declare that in our opinion the accompanying Performance Statement of Guide Dogs Victoria in respect of the financial year ended 30 June 2016, is presented fairly.

The Performance Statement comprises the performance indicators determined by the Board. We have reported our actual and comparative results achieved for the financial year against predetermined performance targets and these indicators. We have reported an explanation of any significant variance between the actual results and the performance targets and/or between the actual results in the current year and the previous year.

At the date of signing, we are not aware of any circumstances which would render any particulars in the Statement to be misleading or inaccurate.

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



Director:

Charles Thompson, President



Director:

Bruce Porter, Hon. Treasurer

Dated this 28<sup>th</sup> day of September 2016



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUIDE DOGS VICTORIA LIMITED**

### *The Performance Report*

The accompanying performance report for the year ended 30 June 2016 of Guide Dogs Victoria Limited which comprises the performance report, the related notes and the directors' declaration has been audited.

### *The Directors' Responsibility for the Performance Report*

The directors are responsible for the preparation and fair presentation of the performance report and such internal control as the directors determine is necessary to enable the preparation and fair presentation of the performance 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 performance report based on our audit, which we have conducted 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 statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that gives a true and fair view 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 statements.

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 Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Guide Dogs Victoria Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

*Opinion*

In our opinion the performance report of Guide Dogs Victoria Limited in respect of the 30 June 2016 financial year is fairly stated.

ShineWing Australia

**ShineWing Australia**  
Chartered Accountants



Scott Phillips  
Partner

Melbourne, 28 September 2016



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