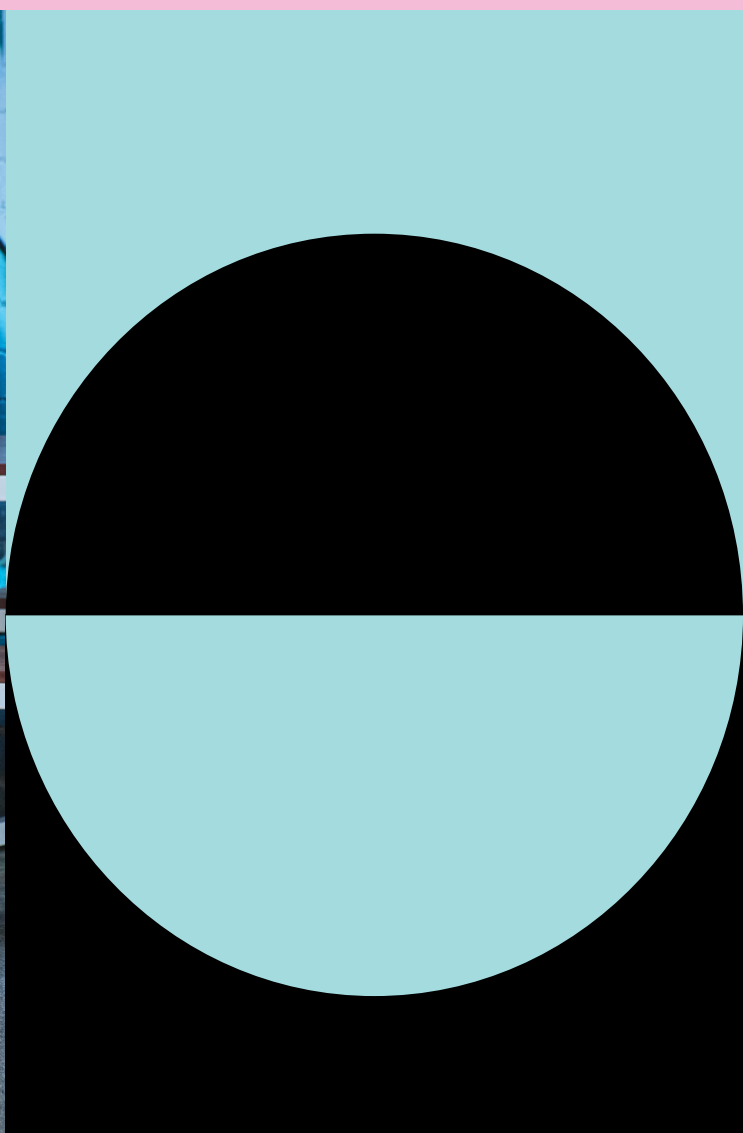


Guide Dogs.

2023

Victoria Financial Report.

ABN 68 004 621 461



Guide Dogs Victoria

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Guide Dogs Victoria

Directors' Report

30 June 2023

The Board of Guide Dogs Victoria (the Company) is pleased to present the Directors' Report for the financial year ended 30 June 2023.

Principal Activities

The principal activities of Guide Dogs Victoria in the course of the financial year were directed towards the provision of Guide Dogs, orientation and mobility services and other related services to children and adults in Victoria who are blind or have low vision.

Objectives and Strategies

Long Term Objective

To be a leader in breaking down barriers so people can live the life of their choosing.

Strategies

To achieve this objective, the Company has adopted the following strategic priorities:

- Make a positive difference by providing a personalised Client experience
- Grow our Client reach and impact
- Transform our digital capability to drive efficiencies and maximise Client outcomes
- Deliver an accessible, vibrant, and world leading campus experience
- Be a great place to work (and volunteer) through a culture of inclusion, learning and high performance
- Strengthen financial sustainability through diversification and efficiency

Performance Measures

Guide Dogs Victoria operations for the financial year in meeting its services to Clients recorded a surplus of \$2.694m (30 June 2022: \$2.978m). During 2023 Guide Dogs Victoria serviced 1,272 Clients (30 June 2022: 1,285 Clients).

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

Review of Operations

Guide Dogs Victoria recorded a surplus for the financial year. This surplus includes \$2.228m of revenue received to go toward the campus redevelopment (30 June 2022: \$4.957m). The balance sheet includes a reserve for unspent capital funds.

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Guide Dogs Victoria

Directors' Report

30 June 2023

Directors' Meetings

The number of meetings of Directors (including Audit, Risk and Finance Committee (ARFC), Remuneration Committee (Rem Com), Nominations Committee (Nom Com), Future is in Sight Campus Redevelopment Committee (FIIS CRDC), Future is in Sight Innovation Committee (FIIS IC) and the Centre of Excellence Governance Committee (CoE GC) held during the financial year, and the number of meetings attended by each Director was as follows:

	Directors Mtgs	ARFC Mtgs	Nom Com Mtgs	Rem Com Mtgs	FIIS CRDC Mtgs	CoE GC Mtgs	FIIS IC Mtgs
Number of meetings held	9	4	3	2	7	2	3
David Cochrane (Chair)	8	-	2	2	7	2	-
Nick Mescher (Vice Chair)	7	-	-	-	6	1	3
Bruce Brook	8	4	-	2	5	-	-
Anthony Kearns (Resigned January 2023)	3	1	1	-	-	-	-
Natasha Menon (Resigned August 2022)	0	-	-	-	-	-	-
Lisa Tepper	7	3	2	1	-	-	3
Charles Thompson (Resigned June 2023)	8	-	1	0	5	-	1
Jenna Watts	7	-	2	-	-	-	1
Melissa Dixon (Appointed January 2023)	4	3	2	-	-	-	1
Malcolm Haack (Appointed January 2023)	4	3	-	1	2	-	-

Committee membership

The Company had an **Audit, Risk and Finance Committee**. Members of the Board on the Committee during the financial year were:

- * Bruce Brook (Chair)
- * Anthony Kearns (Appointed June 2022, resigned January 2023)
- * Lisa Tepper
- * Jenna Watts (Resigned January 2023)
- * Melissa Dixon (Appointed January 2023)
- * Malcolm Haack (Appointed January 2023)

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

- * David Cochrane (Chair)
- * Anthony Kearns (Appointed June 2022 – January 2023)
- * Charles Thompson (Resigned June 2023)
- * Jenna Watts
- * Lisa Tepper (Appointed January 2023)
- * Melissa Dixon (Appointed January 2023)

Guide Dogs Victoria

Directors' Report

30 June 2023

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

- * David Cochrane (Chair)
- * Bruce Brook
- * Lisa Tepper
- * Charles Thompson (Resigned June 2023)
- * Malcolm Haack (Appointed January 2023)

The company had a **Future is in Sight (Campus Redevelopment) Committee**. Members of the Board on the Committee during the financial year were:

- * David Cochrane (Chair)
- * Bruce Brook
- * Nick Mescher
- * Charles Thompson (Resigned June 2023)
- * Malcolm Haack (Appointed January 2023)

The Company had a **Centres of Excellence Governance Committee**. Members of the Board of the Committee during the financial year were:

- * David Cochrane
- * Nick Mescher

This is a joint Committee with Guide Dogs NSW/ACT.

The Company had a **Future is in Sight (Innovation) Committee**. Members of the Board on the Committee during the financial year were:

- * Nick Mescher (Chair from January 2023)
- * Anthony Kearns (Resigned January 2022)
- * Lisa Tepper
- * Charles Thompson (Resigned June 2023)
- * Jenna Watts
- * Melissa Dixon (Appointed January 2023)

Company Limited by Guarantee

Guide Dogs Victoria (GDV) 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 liabilities of the entity. As at 30 June 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,180 (2022: \$1,180).

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Guide Dogs Victoria

Directors' Report


30 June 2023

Auditor's 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 2023 has been received and can be found on page 5 of the financial report.

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

Director: 
David Cochrane, Chair

Director: 
Bruce Brook, Chair, Audit, Risk and Finance Committee

Dated this 18 day of OCTOBER 2023

The Board of Directors
Guide Dogs Victoria
Chandler Highway
Kew, VIC, 3101

18 October 2023

Dear Board Members

Guide Dogs Victoria

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Guide Dogs Victoria.

As lead audit partner for the audit of the financial statements of Guide Dogs Victoria for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountant

Guide Dogs Victoria

Statement of Comprehensive Income

For the Year Ended 30 June 2023

		2023 \$'000	2022 \$'000
Note			
Revenue			
	Fundraising and gifts in wills	2(a) 12,405	11,296
	Fundraising for capital purposes	2,228	4,957
	Revenue from the provision of dogs and orientation mobility services	2(b) 4,935	5,205
	Rental revenue	194	48
	Finance and investment (losses)/gains	2(c) 1,066	(2)
	Other income	2(d) -	4
	Total Revenue	20,828	21,508
Expenditure			
	Fundraising and gifts in wills	(3,392)	(2,837)
	Cost of provision of dogs and mobility services	3(b) (12,894)	(13,897)
	Community information and public education	3(c) (869)	(959)
	Other corporate services	(979)	(837)
	Total Expenditure	(18,134)	(18,530)
	Surplus before income tax	2,694	2,978
	Income tax expense	-	-
	Surplus for the year	2,694	2,978
	Other comprehensive income	-	-
	Total comprehensive income for the year	2,694	2,978

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Financial Position

30 June 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	11,733	16,918
Trade and other receivables	5	1,335	921
Inventories	6	1,145	1,080
Financial assets	7	507	451
TOTAL CURRENT ASSETS		14,720	19,370
NON-CURRENT ASSETS			
Financial assets	7	4,442	3,837
Property, plant and equipment	8	22,302	14,865
Intangible asset	9	-	-
Right of Use Asset	10	673	364
Investment property	11	-	1,100
TOTAL NON-CURRENT ASSETS		27,417	20,166
TOTAL ASSETS		42,137	39,536
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,719	893
Provisions	13	1,176	1,234
Deferred revenue	14	2,095	3,269
Lease Liabilities	15	221	286
TOTAL CURRENT LIABILITIES		5,211	5,682
NON-CURRENT LIABILITIES			
Provisions	13	134	127
Lease Liabilities	15	455	84
TOTAL NON-CURRENT LIABILITIES		589	211
TOTAL LIABILITIES		5,800	5,893
NET ASSETS		36,337	33,643
ACCUMULATED FUNDS			
Reserves	16	11,751	26,617
Retained earnings		24,586	7,026
TOTAL ACCUMULATED FUNDS		36,337	33,643

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained Earnings \$'000	General Reserve \$'000'	Capital Reserve \$000	TOTAL \$000
Balance at 1 July 2021	7,983	4,800	17,882	30,665
Surplus for the year	2,978	-	-	2,978
Other comprehensive income	-	-	-	-
Transfer to Capital Reserve	(3,935)	-	3,935	-
Balance at 30 June 2022	7,026	4,800	21,817	33,643

	Retained Earnings \$'000	General Reserve \$'000'	Capital Reserve \$000	TOTAL \$000
Balance at 1 July 2022	7,026	4,800	21,817	33,643
Surplus for the year	2,694	-	-	2,694
Other comprehensive income	-	-	-	-
Transfer to/(from) Capital Reserve	14,866	-	(14,866)	-
Balance at 30 June 2023	24,586	4,800	6,951	36,337

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Cash Flows For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and donors		17,872	15,751
Payments to suppliers and employees		(18,973)	(19,193)
Interest received		6	9
Interest paid		(11)	(12)
'Future is in Sight' campus redevelopment donations		1,277	4,476
Receipt of government grants		1,183	928
Dividends received		126	229
Net cash inflows from operating activities		<u>1,480</u>	<u>2,188</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant and equipment		(7,583)	(3,556)
Proceeds from sale of investment property		1,273	-
Net cash inflows / (outflows) in investing activities		<u>(6,310)</u>	<u>(3,556)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments for leases		(355)	(465)
Net cash outflows in financing activities		<u>(355)</u>	<u>(465)</u>
Net decrease in cash and cash equivalents held		(5,185)	(1,833)
Cash and cash equivalents at beginning of year		<u>16,918</u>	<u>18,751</u>
Cash and cash equivalents at end of financial year	4	<u>11,733</u>	<u>16,918</u>

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

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*. The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures. 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.

The company is an organisation of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The registered office and principal place of business of the company is:

2-6 Chandler Hwy
Kew
VIC, 3101, Australia

(b) Revenue and Other Income

Government Grant Income

Where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer, under AASB 15 Revenue from Contracts with Customers. Otherwise, the revenue is recognised under AASB 1058 Income of Not-for-Profit Entities.

For capital grants received under an enforceable agreement where it includes a transfer to enable the Company to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Company when completed, the Company recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

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.

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

Donations are recognised as revenue when received.

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

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

(c) Inventories

Inventory is represented by puppies and dogs in training and finished goods for merchandise products sold through the commercial activities of the Company.

Puppies 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 cost of puppies and dogs in training comprises all costs directly related to the production of Guide Dogs with carrying values of these dogs expensed when they are matched and provided to Clients or removed from the program. At that point the control transfers to the Client and the puppies and dogs in training are derecognised from inventory. Where guide dogs are directly funded the corresponding revenue will be accounted for in line with the revenue recognition policy. Where the guide dog is unfunded no revenue is recognised, however a number of donations or sponsorships are linked to support the production of these guide dogs.

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 condition.

(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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

(e) Financial Instruments (continued)

Financial Assets

Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

(e) Financial Instruments (continued)

(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)

Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. No investments are currently measured at FVTOCI.

(iv) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Net gain/(loss) arising on financial assets measured at FVTPL" line.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities

Financial liabilities

- *Financial liabilities at FVTPL*

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

- *Financial liabilities measured subsequently at amortised cost*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

(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 annual 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.

Included in employee benefits expenses are levies paid to the Portable Long Service Authority Scheme, and valuation changes to the long service leave provision and reimbursement receivable.

(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 Kew property where Guide Dogs Victoria 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 controlled by Guide Dogs Victoria.

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. Capital works in progress are not depreciated until the asset is available 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 2023

(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.

(i) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

Gains and losses arising from changes in the fair value of investment properties are included in 'profit or loss' in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in 'profit or loss' in the period in which the property is derecognised.

(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 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 at settlement.

(l) 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.

(m) 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 2023

(n) 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.

Depreciation

Useful lives and residual value of buildings, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of buildings, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation expenditure (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

(o) Leased assets

The company as a lessee

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Whenever GDV incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137: Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

The leases identified by the company (including property leases and motor vehicle leases) have been recognised as a right of use asset with a corresponding lease liability on the balance sheet.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

(p) Financial Risk Management

The Company's short-term investing activities to fund operating and special purpose cash requirements are confined to cash and cash equivalent assets. The Board holds a long-term view of investing for all other activities and hold cash equivalent assets to maturity. The Board keeps informed of market risks through monthly management reporting, and there has been no significant change in 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.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

(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

(i) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2022.

There was no material impact to the financial statements from the adoption of these standards.

(ii) New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective:

Standards/amendment	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-1 Amendments to Australian Accounting Standards – <i>Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 Amendments to Australian Accounting Standards – <i>Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 January 2023	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – <i>Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	30 June 2024
Non-current Liabilities with Covenants' (Amendments to IAS 1)	1 January 2024	30 June 2025

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
2 Revenue			
(a) Fundraising and gifts in wills			
Donations		4,906	6,088
Gifts in wills		7,499	5,208
Total fundraising and gifts in will revenue		12,405	11,296
(b) Revenue from provision of dogs and orientation mobility services			
Government grants for services		1,076	928
Provision of in-kind goods		124	133
Revenue from sale of dogs and provision of services		3,735	4,144
Total revenue from provision of dogs and mobility services		4,935	5,205
(c) Finance and Investment gains/(losses)			
Bank interest		473	25
Dividend income		144	346
Gain on sale of investment property		173	-
Fair value (losses)/gains from investments		276	(373)
Total finance and investment (losses)/gains		1,066	(2)
(d) Other income			
Job-keeper revenue		-	-
Other income		-	4
Total other income		-	4

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
3 Expenditure			
(a) Total expenditure items include			
Defined contribution plan superannuation		1,027	957
Employee benefits expense		9,793	9,804
Total depreciation and amortisation		908	745
Fundraising activities		1,056	889
(b) Cost of provision of dogs and mobility services			
Cost of guide dog services		6,250	6,207
(Increase)/Decrease in dog inventory valuation		(65)	253
Cost of mobility services		6,709	7,437
Total cost of the provision of dogs and mobility services		12,894	13,897
(c) Cost of community information and public education			
General community information and public education		869	959
Total cost of community information and public education		869	959
4 Cash and Cash Equivalents			
Cash at Bank		11,732	16,917
Cash on Hand		1	1
Total Cash and Cash Equivalents		11,733	16,918

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
5 Trade and other receivables			
Trade receivables	(a)	221	358
Provision for doubtful debts	(b)	-	-
		221	358
Prepayments		142	132
Sundry receivables		492	212
Goods and service tax		480	219
Total trade and other receivables		1,335	921

(i) Included in trade receivables as at 30 June 2023 are balances owing from related parties amounting to \$76k (2022: \$86k) (see Note 22).

(a) Aged analysis

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

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

0-30 days	214	326
31-60 days	(1)	13
61-90 days	2	8
90+ days	6	11
	221	358

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 2023

	Note	2023 \$'000	2022 \$'000
6 Inventories			
Puppies and dogs in training		1,145	1,080
		<u>1,145</u>	<u>1,080</u>
The amount of inventory recognised as an expense during the year ended 30 June 2023 was \$696k (year ended 30 June 2022: \$1.334m).			
7 Financial Assets			
CURRENT			
Financial assets held at fair value through profit or loss		507	451
NON-CURRENT			
Financial assets held at fair value through profit or loss		4,442	3,837
Total	20	<u>4,949</u>	<u>4,288</u>
The amount represented as current is the cash held by the Investment manager of the managed portfolio.			
8 Property, plant and equipment			
Buildings			
At cost		22,728	15,750
Less: accumulated depreciation		(3,984)	(3,604)
Total buildings	8(a)	<u>18,744</u>	<u>12,146</u>
Capital works in progress			
At cost		2,462	1,973
Less: accumulated depreciation		-	-
Total capital works in progress	8(a)	<u>2,462</u>	<u>1,973</u>
Plant and equipment			
At cost		2,465	1,939
Less accumulated depreciation		(1,369)	(1,193)
Total plant and equipment	8(a)	<u>1,096</u>	<u>746</u>
Total property, plant and equipment			
At cost		27,655	19,662
Less accumulated depreciation		(5,353)	(4,797)
Total property, plant and equipment		<u>22,302</u>	<u>14,865</u>

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

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:

	Note	2023 \$'000	2022 \$'000
Buildings			
Carrying amount at beginning		12,146	4,485
Additions at cost		-	24
Transfer in from WIP		6,978	8,020
Accelerated depreciation expense		-	(70)
Depreciation expense		(380)	(313)
Net carrying value		18,744	12,146
Capital works in progress			
Carrying amount at beginning		1,973	6,677
Additions at cost		8,078	3,316
Transfer out of WIP		(7,461)	(8,020)
Disposals		(128)	-
Net carrying value		2,462	1,973
Plant and equipment			
Carrying amount at beginning		746	713
Additions at cost		42	220
Transfer in from WIP		483	-
Accelerated depreciation expense		-	(18)
Depreciation expense		(175)	(169)
Net carrying value		1,096	746
Total property, plant and equipment			
Carrying amount at beginning		14,865	11,875
Additions at cost		8,120	3,560
Disposals		(128)	-
Accelerated depreciation expense		-	(88)
Depreciation expense		(555)	(482)
Net carrying value		22,302	14,865

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
9 Intangible Assets			
Computer software - at cost		59	59
Accumulated amortisation		(59)	(59)
Total Intangible Assets		-	-
10 Right of use Asset			
Right of use asset net carrying amount		673	364
Total Right of use assets		673	364
Right of Use Asset – Movement During the period			
Balance at 1 July 2022		364	519
Additions		623	46
Depreciation		(352)	(457)
Other Changes		38	256
Balance at 30 June 2023		673	364
11 Investment Property			
Investment property		-	1,100
(a) Movements in carrying amounts			
Reconciliation of the carrying values of the investment property between the beginning and end of the current financial year:			
Investment property			
Carrying amount at beginning		1,100	1,050
Increase in fair value		-	50
Disposal of investment property		(1,100)	-
Net carrying value		-	1,100

The Investment property that was held during the year comprised of a residential property that was gifted to Guide Dogs Victoria in previous years, which is leased to a third party and has a no sale obligation for five years. The no sale obligation expired, and the property was sold on the 12th of January 2023 for a profit of \$173k. Rental revenue from investment property during the year amounted to \$1,786 (30 June 2022: \$23,670).

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

12 Trade and other payables	Note	2023 \$'000	2022 \$'000
Trade payables	(i),(iii)	1,016	445
Other payables	(ii)	613	448
Superannuation payable		90	-
Total trade and other payables	20	1,719	893

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

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

(iii) For terms and conditions relating to related party payables refer to Note 22.

13 Provisions

	2023 \$'000	2022 \$'000
Current		
Employee benefits – Long service leave	526	576
Employee benefits – Annual leave	650	658
Total current provisions	1,176	1,234
Non-Current		
Employee benefits – Long service leave	134	127
Total non-current provisions	134	127
Total Provisions	1,310	1,361

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.

14 Deferred Income

Deferred income	2,095	3,269
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In accordance with the adoption of AASB 15 and AASB 1058, deferred income has been recognised in relation to capital grants received from the State Government of Victoria for the funding of the Kew campus redevelopment, a recognisable non-financial asset to be controlled by Guide Dogs Victoria. In the year to 30 June 2020 and 30 June 2019, Guide Dogs Victoria received contributions of \$3.0m and \$2.0m respectively from the Department of Health and Human Services (DHHS) Victoria. These monies are recognised as revenue based on the percentage of completion of the construction project, determined using the input method (i.e. percentage of actual costs that can be capitalised incurred against estimated total costs to be capitalised to complete the project).

Based on the project plan, management estimates a total capitalised cost of \$28.419m for the redevelopment. Capitalised costs as at year end amount to \$17.967m (2022: \$10.017m), representing percentage of completion of 55% (2022 35%). Revenue recognised from the capital grant during the year was \$1.43m (2022: \$481k).

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

15 Lease liabilities

CURRENT

Lease liabilities	221	286
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NON-CURRENT

Lease liabilities	455	84
Total	676	370

16 Reserves

(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) Capital Reserve

This reserve relates to the funds to be expended in relation to the Kew site redevelopment. In the prior year the reserve was the net of the revenue received through the profit and loss less the expenditure, including depreciation, through the profit and loss.

In the current year, the Board has determined the balance of the reserve is the net of the revenue received through the profit and loss less the assets capitalised after completion, Work in Progress and redevelopment operational expenditure incurred.

17 Liability of Members

Guide Dogs Victoria is a Company limited by guarantee and in accordance with the Memorandum of Association the liability of members in the event the Company being wound up would not exceed \$20 per member. As at 30 June 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,180 (2022: \$1,180).

18 Remuneration of Directors

Directors are not eligible and have not been remunerated for their services (2022: Nil).

19 Remuneration of Auditors

	2023 \$'000	2022 \$'000
Amount received or due and receivable by the auditors for:		
- Audit services	58	53
- Other services	6	5

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

20 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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$'000	2022 \$'000
Carrying amounts			
Financial Assets			
Cash and cash equivalents	4	11,733	16,918
Trade and other receivables*	5	1,193	789
Financial assets designated as FVTPL	7	4,949	4,288
Total financial assets		17,875	21,995
Financial Liabilities at amortised cost			
Trade and other payables	12	1,719	893
Total financial liabilities		1,719	893

*excludes prepayments of \$142k (2022: \$132k).

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 and Finance Committee. These include credit risk policies and future cash flow requirements.

The financial assets above include the amount of unspent funds relating to the capital appeal as described in the Capital Reserve.

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)

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

20 Financial Risk Management (continued)

Financial Instruments Measured at Fair Value (continued)

	Level 1 \$	Total \$
Recurring fair value measurements		
2023		
Financial Assets		
Financial assets designated as FVTPL		
- shares in listed investments	2,638	2,638
- government and fixed interest securities	2,311	2,311
	<u>4,949</u>	<u>4,949</u>
2022		
Financial Assets		
Financial assets designated as FVTPL		
- shares in listed investments	2,348	2,348
- government and fixed interest securities	1,940	1,940
	<u>4,288</u>	<u>4,288</u>

21 Key Management Personnel Remuneration

The table below discloses the compensation recognised as an expense during the reporting period to those personnel with a level of authority for planning, directing and controlling the activities of the Company. The Board has determined Key Management Personnel as at 30 June 2023 will include all members of the executive as they have authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. This differs from disclosures as at 30 June 2022 where a lesser number were so defined.

	2023 \$'000	2022 \$'000
Key Management Personnel	<u>1,161</u>	<u>715</u>

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2023

22 Related Parties

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

David Cochrane (Chair)
 Nick Mescher (Vice Chair)
 Bruce Brook
 Anthony Kearns (resigned 24 January 2023)
 Natasha Menon (Resigned August 2022)
 Lisa Tepper
 Charles Thompson (resigned 27 June 23)
 Jenna Watts
 Melissa Dixon (appointed 24 January 2023)
 Malcolm Haack (appointed 24 January 2023)

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.

	Sales to		Purchases from		Other transactions from		Owing to		Owing By	
Related Party	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Guide Dogs Queensland	113	203	31	28	-	-	8	-	3	25
Guide Dogs NSW/ACT	675	888	439	476	-	-	44	1	52	45
Guide Dogs SA/NT	105	353	-	8	-	-	-	-	-	6
Royal Guide Dogs Australia	315	431	658	874	-	-	12	-	21	10
Total	1,208	1,875	1,128	1,386	-	-	64	1	76	86

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.

23 Commitments

Capital commitments contracted for at the reporting date but not recognised as liabilities were as follows:

	2023 \$'000	2022 \$'000
Property, plant & equipment Committed:	<u>7,819</u>	<u>12,079</u>

The total amount of capital expenditure commitments relates to the redevelopment of the Kew site.

24 Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Guide Dogs Victoria

Directors' Declaration

30 June 2023

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

1. The financial statements and notes, as set out on pages 6 to 29, 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 2023 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 Company will be able to pay its debts as and when they become due and payable.

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

Director: 
David Cochrane, Chair

Director: 
Bruce Brook, Chair, Audit, Risk and Finance Committee

Dated this 18 day of OCTOBER 2023

Independent Auditor's Report to the Members of Guide Dogs Victoria

Opinion

We have audited the financial report of Guide Dogs Victoria (the "Entity"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and declaration by directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Accounting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jelotte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Isabelle Lefevre

Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 18 October 2023

Guide Dogs Victoria

Performance Statement

For the Year Ended 30 June 2023

Performance Statement
30 June 2023

KPI	2022/2023 Full year Actual	2021/2022 Full year Actual	Positive / (Negative) Variance from Prior year	Note
Service				
Service delivery hours	24,058	28,349	(4,291)	1
Number of training and support programs delivered	3,123	2,930	193	2
Number of Clients assisted	1,272	1,285	(13)	3
Number of Qualified Guide Dogs	36	39	(3)	4
Number of Therapy Dogs allocated	48	10	38	5
Number of other working dogs allocated	25	32	(7)	
Number of Guide Dog users	247	244	3	
People				
Employee sentiment percentage	68%	69%	(1%)	6
Lost Time Injury Frequency rate (number of lost time incidents for every 1 million employee hours)	8.3	11.58	(3.28)	7
Finance				
Operating surplus / (deficit) in \$'000	\$2,694	\$2,978	\$(284)	8
Operating surplus / (deficit) prior to Capital Purpose Income in \$'000	\$448	\$(1,979)	\$2,427	8
Working Capital Position (excluding Major Capital Development) in \$'000	\$2,556	\$2,850	\$(294)	9
Future is in Sight Campus Redevelopment cash position in \$'000	\$8,790	\$14,107	\$(5,317)	10
Future is in Sight Campus Redevelopment budget \$'000	\$32,451	\$29,973	\$(2,478)	11

The Guide Dogs Victoria (GDV) Performance Statement includes the results of the internally prescribed service, people, and financial 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 GDV information.

The Performance Statement presents the actual results for the current year and prior year.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements (Simplified Disclosure).

Performance Statement

30 June 2023

1. Service delivery hours have decreased from the prior year reflecting the challenges in recruitment of allied health professionals. The focus continues to be on utilisation of practitioners and the continued review of systems and processes.
2. The number of training and support programs has increased from the prior year. In the context of fewer service delivery hours this indicates an increased service offering from our practitioners.
3. This year our client base has remained consistent, showing only a slight decrease in our client numbers overall.
4. The number of qualified guide dogs decreased from last financial year due to the timing of matching to clients, this number is within the expected target.
5. The number of therapy dogs have increased this year due to additional focus on this program and increased utilisation of trained dogs across the colony, previously these dogs were being sold as pets.
6. Employee sentiment measures the wellbeing, achievement, values alignment, purpose, future confidence, development and collaboration of staff. Even with many changes within the GDV environment this has remained consistent.
7. The Lost Time Injury Frequency rate has decreased with increased focus on employee safety and wellbeing. The LTIF figure from 2021/2022 has been correctly restated in this report, as per the guidelines provided by Safe Work Australia per <https://data.safeworkaustralia.gov.au/interactive-data/lost-time-injury-frequency-rates>.
8. The operating result (excluding capital) has yielded a surplus in the financial year with an increased focus on fundraising and driving efficiencies.
9. The Working Capital Position (excluding Major Capital Development) relates to the working capital position of GDV excluding cash held in relation to the Future in Sight Campus Redevelopment and grant funding recorded as deferred income in relation to that project. The change in this position reflects a decrease in deferred income over the year.
10. The Future in Sight Campus Redevelopment net cash position has decreased as expected with major buildings completed.
11. The Future in Sight Campus Redevelopment budget has increased this financial year due to increased project costs. These costs are the result of unknown latent conditions (\$1.1M) and escalating costs of construction and trades (\$1.3M)

Performance Statement

30 June 2023

Directors' Declaration

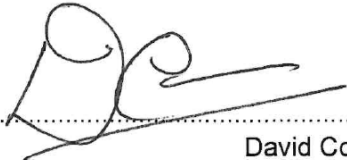
30 June 2023

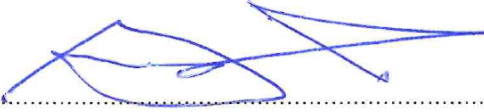
The Directors of Guide Dogs Victoria (a company limited by guarantee) declare that in our opinion the accompanying Performance Statement of Guide Dogs Victoria in respect of the financial year ended 30 June 2023, is presented fairly.

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 Performance Statement to be misleading or inaccurate.

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

Director 
David Cochrane, Chair

Director 
Bruce Brook, Chair Audit, Risk and Finance Committee

Dated this 18 day of OCTOBER 2023

Independent Reasonable Assurance Report to the Directors of Guide Dogs Victoria

Opinion

We have undertaken a reasonable assurance engagement on Guide Dogs Victoria's Performance Statement for the period from 1 July 2022 and 30 June 2023.

In our opinion, the Performance Statement is prepared, in all material respects, in accordance with accrual basis of accounting and the explanatory notes consistent with those reported in the Financial Statements and internally prescribed criteria, as defined in the Performance Statement (the 'applicable criteria') for the period from 1 July 2022 to 30 June 2023.

Basis for Opinion

We conducted our reasonable assurance engagement in accordance with Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ASAE 3000"), issued by the Auditing and Assurance Standards Board.

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

Management's Responsibilities

Management are responsible for:

- ensuring that the Performance Statement is prepared in accordance with the applicable criteria;
- confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information; and
- designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to assure achievement of its control objectives and its compliance with applicable laws and regulations;

Our Independence and Quality Management

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Guide Dogs Victoria's Performance Statement as evaluated against the applicable criteria. ASAE 3000 requires that we plan and perform this engagement to obtain reasonable assurance about whether the Performance Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ASAE 3000 involves performing procedures to obtain evidence about the evaluation of the underlying subject matter against the applicable criteria. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in the Performance Statement. In making those risk assessments, we considered internal control over the preparation of the Performance Statement relevant to the engagement.

Our procedures included:

- obtaining an understanding of the internal controls relevant to the preparation of the Performance Statement;
- agreement of target KPIs to underlying board approval; and
- tracing KPIs to underlying supporting listings and/or other information and performing sample testing on such listings.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

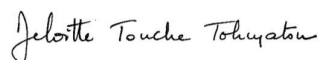
Restricted use

The applicable criteria used for this engagement was designed for a specific purpose of providing a basis for preparing the Performance Statement, as a result, the Performance Statement may not be suitable for another purpose.

This report has been prepared for use by the Directors of Guide Dogs Victoria for the purpose of providing independent assurance on the Performance Statement to the members of Guide Dogs Victoria. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors or for any purpose other than that for which it was prepared.

Electronic presentation of information

It is our understanding that Guide Dogs Victoria may publish a copy of the Performance Statement on their website. We do not accept responsibility for the electronic presentation of the Performance Statement on their website. The security and controls over information on the website is not evaluated or addressed by the independent assurance practitioner. The examination of the controls over the electronic presentation of the Performance Statement on any website is beyond the scope of this engagement.



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 18 October 2023