

**Guide  
Dogs**

NSW/ACT

ABN 52 000 399 744

For the Financial Year  
Ended 30 June 2020

# Financial Report



# GUIDE DOGS NSW/ACT

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## FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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These financial statements cover the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiary, Centre for Eye Health Limited. These financial statements are presented in Australian currency.

Guide Dogs NSW/ACT is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is: 2-4 Thomas Street, Chatswood, NSW, 2067.

These financial statements were authorised for issue by the directors on 26 October 2020. The directors have the power to amend and reissue the financial statements.

# GUIDE DOGS NSW/ACT

## FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereinafter as the Group) consisting of Guide Dogs NSW/ACT and the entity it controlled at the end of or during the financial year ended 30 June 2020.

The following persons were directors and officers of the company at any time during, or since the end of, the year. Unless otherwise stated, the Director was in office for the whole of the financial year and up to the date of this report. All directors are in a non-executive capacity.

**Kieran Lane, Chairman**

LLB Hons, LLM

Solicitor and a former tax partner at KPMG. Joined the Board in 2012 in a non-executive capacity. Kieran has 20 years' experience at KPMG in several senior management positions including serving as an elected member of the KPMG Board for 6 years. Past activities include acting as a member of the St Joseph's College Finance Committee and a Vice President of the Australia China Business Council. Kieran is a member of the Finance, Audit & Risk Management and the Nomination & Remuneration Sub-committees.

**Linda Druitt, Vice President (resigned 28 October 2019)**

BBus (Acc), CPA

Director, Nortons Business Advisors. Joined the Board in 2004. Lindy has more than 30 years' experience in public practice offering business advice, self-managed superannuation and taxation services to small and medium business. Lindy was the Chairman of the Fruittinance, Audit & Risk Management Sub-committee and was a member of the Nomination & Remuneration Sub-committee until 24 June 2019.

**Preeti Bajaj (appointed 28 October 2019)**

BA, MBA, MAppFin

Non-Executive Director. Joined the Board in October 2019. Preeti brings to the Board diverse skills in senior management and operational roles at leading ASX listed and global organisations, particularly the fast-moving Consumer Goods, Digital and Technology sectors. She is currently Chief Executive Officer of Adecco Group and MD of Modis Australia. Prior to that she was Chief Executive Office at Clipsal Solar, a venture by Schneider Electric Global, and also held senior roles at Metcash Trading Ltd and Brookfield Global Integrated Solutions. Preeti has received various awards, including the AFR Young Executive of the Year.

**James Bennett OAM**

B Eng

Mechanical Engineer and self-employed business consultant (Disability Services Auditor). Joined the Board in 2011. James is a client, an experienced Guide Dog user and an advocate for those who are blind or vision impaired. He was awarded the Order of Australia Medal in 2017 for services to the blind and low vision community. He also sits on several Advisory Committees with the National Disability Services covering Open Employment and Australian Disability Enterprises. James is a member of the Corporate Governance Sub-committee.

**Zorana Bull**

MA (Eng, Econ & Mgmt), FAICD

Founding Director of Altura Partners (Strategic Management Consultants - Sydney/Melbourne). Joined the Board in 2010. Zorana has over 25 years of experience in strategy development, operational performance improvement and organisational change. She was previously a Partner with leading global consultancy PA Consulting Group and Chief Operating Officer of the Australian business. Zorana is a Non-Executive Director with Port Authority of NSW, Healthshare NSW and AirRoad Pty Ltd. She was previously a Non-Executive Director with Moorebank Intermodal Company Limited and Fancy Engineering Ltd. Zorana is a member of the Finance, Audit & Risk Management Sub-committee.

# GUIDE DOGS NSW/ACT

## FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### DIRECTORS' REPORT (continued)

**Ian Jamieson**

BCom (Mktg), CPM (AMI), MAICD

Strategic marketing consultant and co-founder of business strategy consultancy firm Marketing Initiatives. Joined the Board in 2008. Ian has over 30 years of experience in marketing and business strategy development, including corporate positions and managing his own consultancy business. He is a Fellow of the Australian Marketing Institute. Ian is Chairman of the Nomination & Remuneration Committee and a member of the Corporate Governance Sub-committee.

**Jacqui Jones**

B.Ec (Soc Sci), M.A., Grad Dip Ed, MAICD

Executive Director, Constellation Project, PwC. Jacqui has more than 25 years' experience working across the private and not-for-profit sectors to improve outcomes for people in education and homelessness. She is also a member of the Nomination & Remuneration Sub-committee and the Board representative member of the GDN Client Advisory Panel.

**Steven Kouris**

BEc/LLB, LLM

Lawyer and commercial advisor. Joined the Board in 2010. Steven has extensive corporate governance and leadership, strategic planning and risk management expertise as a non-executive director and board committee member across the health, housing and not-for-profit sector, and augments this with commercial & legal expertise in private, corporate and government practice. He has worked for major national law firms such as King & Wood Mallesons and Allens, advised government departments, and has substantial expertise in major projects, infrastructure & development, building and construction, and property. He is Chairman of the Corporate Governance Sub-committee. He is also a non-executive director of the Centre for Eye Health Limited, and a non-executive director of EIS Health Limited (the primary healthcare network for Central & Eastern Sydney) where he chairs the Finance and Audit & Risk Committee.

**Robin Low**

BCom, FCA, GAICD

Non-Executive Director. Joined the Board in June 2019. Robin brings broad sector experience across financial services, technology, medical research funding, M&A and governance/risk. Robin's executive career was with PricewaterhouseCoopers where she was a partner specialising in audit and risk and led a practice area. She is now a non-executive director and is on the board of four listed companies (APX, AUB, IPH and MMM) and serves as chair of their audit or audit and risk committees. She is also on the board of two other charities, Primary Ethics and Public Education Foundation, and is a member of the University of New South Wales Audit Committee. She is a past deputy chairman of the Auditing and Assurance Standards Board. Robin has a personal love of dogs, volunteering weekly with her dog, Daphne, at a dementia respite care facility. Robin has been Chair of the Finance, Audit and Risk Management Sub-Committee since November 2019.

**Darryl Newton (appointed 28 October 2019)**

BCom, CA, GAICD

Non-Executive Director. Joined the Board in October 2019. Darryl has had an extensive and varied executive career in accounting, consulting, and finance and risk management roles. He was a partner at Ernst & Young (EY) for 14 years specialising in financial services. After leaving EY, Darryl held senior management roles at Westpac, Bank of Queensland and, most recently, Australia Post. Currently, in addition to Guide Dogs, Darryl is a Non-Executive Director at ING Bank (Australia) Limited and Chair of its Audit Committee as well as Non-Executive Director and Chair of The Centre for Eye Health Limited.

**Barry Stephen OAM (resigned 28 October 2019)**

FFA, FIAA, FAICD

Formerly, General Manager Zurich Australia Limited responsible for all aspects of the business. Over 30 years' experience as a Director of unlisted public companies. Joined the Board in 1999. He was Chairman of the Centre for Eye Health Limited and was a member of the Finance, Audit & Risk Management Sub-committee.

# GUIDE DOGS NSW/ACT

## FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### DIRECTORS' REPORT (continued)

#### Directors' Meetings

The number of meetings of the Group's board of directors held during the year ended 30 June 2020, and the numbers of meetings attended by each director were:

Board of Directors	Board Meetings		Finance, Audit & Risk Management Committee meetings	
	eligible to attend	attended	eligible to attend	attended
Kieran Lane	10	10	5	5
Linda Druitt	4	4	2	2
Preeti Bajaj	6	4	-	-
James Bennett	10	8	-	-
Zorana Bull	10	10	5	5
Ian Jamieson	10	9	-	-
Jacqui Jones	10	9	-	-
Steven Kouris	10	9	-	-
Robin Low	10	10	5	5
Darryl Newton	6	6	3	3
Barry Stephen	4	3	2	2

Board of Directors	Nomination & Remuneration Committee Meetings		Corporate Governance Committee Meetings	
	eligible to attend	attended	eligible to attend	attended
Kieran Lane	2	2	-	-
Linda Druitt	-	-	-	-
Preeti Bajaj	-	-	-	-
James Bennett	-	-	2	2
Zorana Bull	-	-	-	-
Ian Jamieson	2	2	2	2
Jacqui Jones	2	2	-	-
Steven Kouris	-	-	2	1
Robin Low	-	-	-	-
Darryl Newton	-	-	-	-
Barry Stephen	-	-	-	-

#### Objectives and Strategies

##### (a) Short Term Objectives

Provide quality and customised orientation and mobility (O&M) services for people with impaired vision in New South Wales (NSW) and the Australian Capital Territory (ACT) including the training and provision of guide dogs. To provide a state-of-the-art eye imaging and diagnostic services to the general public of NSW and the ACT. Both services are provided at no cost to the client.

##### (b) Long Term Objectives

Expand the provision of appropriate services to people with impaired vision in NSW and the ACT especially focusing on guide dogs, assistive technology, vision loss in children, neurological vision loss, low vision and independent living skills. Work with related guide dog and vision agencies across Australia and worldwide to improve the quality and breadth of the services provided. Reduce the incidence of preventable vision loss amongst the population of NSW and ACT through the provision of eye imaging and diagnostic testing services. Enhance the training and education of optometrists and enable increased research activity using the data collected by the Centre for Eye Health (CFEH).

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# GUIDE DOGS NSW/ACT

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## FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### DIRECTORS' REPORT (continued)

#### Objective and Strategies (continued)

(c) **Strategies**

The Group operates within a strategic framework which is reviewed by the Board each year. The current Strategic Plan covers the period to 2022. Through diversification and growth of our revenue streams to achieve financial sustainability, and investment in our people and processes, we aim to increase client satisfaction and support more people who are blind or have a vision impairment to live the life they choose.

(d) **Measuring performance**

Performance is primarily measured in terms of services delivered – being mobility services (including guide dogs) to the vision impaired and clients assessed by CFEH. Services delivered, referrals, waiting lists and waiting times are monitored. Other key deliverables measured include advocacy and community education for the vision impaired and, at CFEH, education of eye practitioners is also relevant. The other key measure is sustainability which primarily involves measuring and tracking financial Key Performance Indicators, staff and client satisfaction and brand health.

#### Financial Performance and Results

For the year ended 30 June 2020, the Group operations resulted in a surplus of \$29,296,129 (2019: deficit of \$5,255,822) and Group revenue and other income for the year of \$67,764,192 (2019: \$34,725,332). FY20 has seen the largest bequest income received (\$29m) and also during the financial year, the Group sold the Chatswood building which has seen a profit of \$17.5m. Both of these factors have significantly contributed to the significant surplus of \$29m in FY20.

#### Auditor's Independence Declaration

A copy of the Auditor's independence declaration, obtained as required by section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 5.

This report is made in accordance with a resolution of directors.



**Kieran Lane**  
Chairman

**Sydney, NSW**  
**26 October 2020**

### Auditor's Independence Declaration

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Guide Dogs NSW/ACT for the year ended 30 June 2020.

This declaration is in relation to Guide Dogs NSW/ACT and the entity it controlled during the period.



**Sydney, NSW**  
**26 October 2020**

**HLB Mann Judd**  
**Chartered Accountants**

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## Independent Auditor's Report to the Members of Guide Dogs NSW/ACT

### Opinion

We have audited the financial report of Guide Dogs NSW/ACT ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in accumulated funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

In accordance with the provisions of the *Charitable Fundraising Act 1991* and the regulations thereto, any money received as a result of fundraising appeals conducted during the financial year has been properly accounted for and applied with the following provisions:

- (a) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate;
- (b) any money received as a result of fundraising appeals conducted during the year ended 30 June 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations thereto;
- (c) the financial report and associated records have been properly kept during the financial year in accordance with the provisions of the *Charitable Fundraising Act 1991* and the Regulations thereto; and
- (d) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

### Basis for Opinion

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

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

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

[hlb.com.au](http://hlb.com.au)

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's 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 Group'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 Group 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd  
Chartered Accountants**

**Sydney, NSW  
26 October 2020**



**M D Muller  
Partner**

# GUIDE DOGS NSW/ACT

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## PRINCIPAL OFFICER DECLARATION – CHARITABLE FUNDRAISING ACT 1991

I, Dale Cleaver, Chief Executive Officer of Guide Dogs NSW/ACT declare that in my opinion:

- (a) the attached consolidated financial statements give a true and fair view of all income and expenditure of Guide Dogs NSW/ACT and its controlled entity. The accompanying notes give a true and fair view of all income and expenditure of Guide Dogs NSW/ACT with respect to fundraising appeals; and
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act, 1991, and the regulations and the conditions attached to the authority to fundraise have been complied with; and
- (d) the internal controls exercised by Guide Dogs NSW/ACT and its controlled entity are appropriate and effective in accounting for all income received and applied from any fundraising appeals; and
- (e) accounts and associated records have been properly kept during the year in accordance with this Act; and
- (f) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



**Dale Cleaver**  
**Chief Executive Officer**

**Sydney, NSW**  
**26 October 2020**

# GUIDE DOGS NSW/ACT

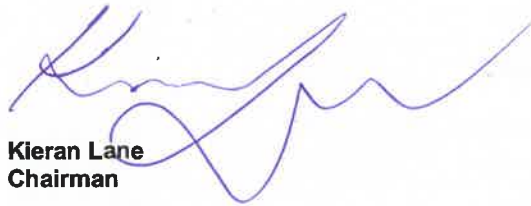
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## DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 31 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) complying with Accounting Standards – Reduced Disclosure Requirements, and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.

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



**Kieran Lane**  
Chairman

**Sydney, NSW**  
**26 October 2020**

## GUIDE DOGS NSW/ACT

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	Consolidated	
		2020 \$	2019 \$
<b>Revenue and other income</b>			
Revenue from continuing operations	3(a)	51,896,662	33,809,631
Loss on disposal of non-current assets	3(b)	(97,388)	(161,169)
Net (loss)/gain on financial assets including the fair value movement through profit & loss	3(b)	(1,521,882)	1,076,870
		<u>50,277,392</u>	<u>34,725,332</u>
<b>Expenses</b>			
Client service costs		(24,230,580)	(23,599,098)
Community education and advocacy		(99,117)	(135,758)
Fundraising overheads including:			
- Fundraising donor management		(2,510,208)	(2,691,368)
- Planned giving expenditure		(706,344)	(897,537)
- Appeal costs		(3,575,271)	(4,799,669)
- Fundraising merchandise		-	(85,500)
Marketing		(1,272,411)	(1,921,597)
Governance and administrative services		(6,074,132)	(5,850,627)
		<u>(38,468,063)</u>	<u>(39,981,154)</u>
Surplus/(Deficit) before gain on disposal of building		11,809,329	(5,255,822)
Gain on disposal of building	3(b)	17,486,800	-
<b>Net Surplus/ (Deficit) from continuing activities</b>		<b>29,296,129</b>	<b>(5,255,822)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b><u>29,296,129</u></b>	<b><u>(5,255,822)</u></b>

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

## GUIDE DOGS NSW/ACT

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	Consolidated 2020 \$	2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	17	4,398,898	4,099,679
Trade and other receivables	4	1,874,714	1,206,498
Inventories	5	28,240	26,691
Other financial assets	6	42,650,009	5,957,121
Other current assets	7	287,028	337,006
<b>Total Current Assets</b>		<b>49,238,889</b>	<b>11,626,995</b>
<b>Non-Current Assets</b>			
Other financial assets	6	17,121	250,008
Financial assets at fair value through profit or loss	8	36,451,830	37,916,780
Property, plant and equipment	9	8,358,180	13,858,684
Right-of-use assets	10	3,065,687	-
Intangibles	11	161,675	43,372
<b>Total Non-Current Assets</b>		<b>48,054,493</b>	<b>52,068,844</b>
<b>Total Assets</b>		<b>97,293,382</b>	<b>63,695,839</b>
<b>Current Liabilities</b>			
Trade and other payables	12	2,343,400	1,774,382
Lease liabilities	13	1,426,702	-
Employee leave provisions		1,642,679	1,574,541
<b>Total Current Liabilities</b>		<b>5,412,781</b>	<b>3,348,923</b>
<b>Non-Current Liabilities</b>			
Employee leave provisions		335,021	360,391
Leasehold make good liability		115,460	115,460
Lease liabilities	13	2,397,007	-
<b>Total Non-Current Liabilities</b>		<b>2,847,488</b>	<b>475,851</b>
<b>Total Liabilities</b>		<b>8,260,269</b>	<b>3,824,774</b>
<b>Net Assets</b>		<b>89,033,113</b>	<b>59,871,065</b>
<b>Accumulated Funds</b>			
Accumulated surplus	14	87,677,264	58,515,216
Reserves	15	1,355,849	1,355,849
<b>Total Accumulated Funds</b>		<b>89,033,113</b>	<b>59,871,065</b>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

## GUIDE DOGS NSW/ACT

### STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	Accumulated Surplus \$	Consolidated Reserves \$	Total Accumulated Funds \$
<b>At 30 June 2018</b>		<b>65,126,887</b>	-	<b>65,126,887</b>
Net deficit from continuing activities		(5,255,822)	-	(5,255,822)
Transfer to reserves		(1,355,849)	1,355,849	-
Total comprehensive income		(6,611,671)	1,355,849	(5,255,822)
<b>At 30 June 2019</b>		<b>58,515,216</b>	<b>1,355,849</b>	<b>59,871,065</b>
Retained earnings adjustment upon adoption of AASB16 on 1 July 2019	1(s)	(134,081)	-	(134,081)
Adjusted balance at 1 July 2019		58,381,135	1,355,849	59,736,984
Total comprehensive income		29,296,129	-	29,296,129
<b>At 30 June 2020</b>		<b>87,677,264</b>	<b>1,355,849</b>	<b>89,033,113</b>

The above Statement of Changes in Accumulated Funds is to be read in conjunction with the accompanying notes.



# GUIDE DOGS NSW/ACT

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		Consolidated	
	Notes	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from:			
Bequests		29,212,435	12,838,029
Donations and other fundraising income		14,711,176	10,201,867
Sale of goods		128,176	132,590
Distributions received		16,388	-
Interest received		235,249	379,882
Franking credits refunded		390,385	270,712
National Disability Insurance Scheme, Medicare and other government revenue		4,477,950	3,154,547
Other income incl. rent received		1,299,101	1,165,076
Payments to suppliers and employees		<u>(36,800,733)</u>	<u>(38,353,129)</u>
<b>Net cash generated from/(used in) operating activities</b>		<u>13,670,127</u>	<u>(10,210,426)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for the acquisition of intangible assets		(126,797)	-
Payments for property, plant and equipment		(2,267,277)	(1,106,853)
Proceeds from sale of property, plant and equipment		27,167,820	222,093
Payments for financial assets		(39,560,680)	(208,849)
Proceeds on dissolution of Future Fund	21	-	3,635,843
Proceeds from redemption of financial assets (net)		<u>2,565,036</u>	<u>7,067,133</u>
<b>Net cash generated from/(used in) investing activities</b>		<u>(12,221,898)</u>	<u>9,609,367</u>
<b>Cash Flows from Financing Activities</b>			
Repayment of the lease liabilities		<u>(1,149,010)</u>	-
<b>Net cash used in financing activities</b>		<u>(1,149,010)</u>	-
Net increase/(decrease) in cash held		299,219	(601,059)
Cash and cash equivalents at the beginning of the financial year		<u>4,099,679</u>	<u>4,700,738</u>
<b>Cash and cash equivalents at the end of the financial year</b>	17	<u>4,398,898</u>	<u>4,099,679</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

# GUIDE DOGS NSW/ACT

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiary.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. Guide Dogs NSW/ACT is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

##### (i) *Compliance with Australian Accounting Standards – Reduced Disclosure Requirements*

The consolidated financial statements of the Guide Dogs NSW/ACT group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

##### (ii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the valuation of financial assets at fair value through profit or loss.

Comparative information has been reclassified where appropriate to enhance comparability with the current financial year.

#### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Centre for Eye Health Limited (CFEH), the subsidiary of Guide Dogs NSW/ACT ("company" or "parent entity") as at 30 June 2020 and the results of the subsidiary for the year then ended. Guide Dogs NSW/ACT and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Investment in the subsidiary is accounted for at cost less any impairment in the individual financial statements of Guide Dogs NSW/ACT.

# GUIDE DOGS NSW/ACT

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (c) Revenue recognition

The Group recognises revenue as follows:

##### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Bequests and Donations*

Guide Dogs NSW/ACT is a not-for-profit organisation. Two major sources of revenue are bequests and donations which by their nature can only be recorded when they are received by the Group. Bequests received in the form of financial assets or other non-cash items are taken into account when received at their estimated market value at the time of receipt.

##### *Sale of goods*

Revenue from the sale of goods is recognised when the Group has fulfilled its performance obligation upon transferring to the buyer the ownership of the goods.

##### *Grant revenue*

Grant revenue is recognised in the Statement of Comprehensive Income in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

Where performance obligations attached to the grant must be satisfied to be eligible to receive the contribution, the recognition of the grant revenue will be recognised over time and deferred at year end until those conditions are satisfied.

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a contract liability until the service has been delivered to the contributor. Where otherwise, the grant is recognised as income on receipt on the basis that the transaction does not include enforceable rights and obligations or 'sufficiently specific' performance obligations that the Group must satisfy.

# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (c) Revenue recognition (continued)

##### *Auxiliaries/Support Groups' Contributions*

At the end of the financial year, the company had four auxiliaries/support groups, who fundraise to benefit Guide Dogs NSW/ACT but otherwise operate independently from it. Net funds received by the company from its auxiliaries or support groups are taken up as income when received.

##### *Changes in the fair value of financial assets*

Net gains or losses on financial assets at fair value through profit or loss are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend revenue.

##### *Dividends and distributions*

Revenue is recognised when the right to receive payment is established.

##### *Interest revenue*

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

##### *Other revenue*

Other revenue is recognised when it is probable that the proceeds will be received and services relating to this revenue have been provided by the Group.

#### (d) Income tax

Guide Dogs NSW/ACT and its subsidiaries are exempt from the payment of income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

#### (e) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to the Statement of Comprehensive Income as incurred.

#### (f) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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# GUIDE DOGS NSW/ACT

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (f) Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the Statement of Comprehensive Income if the carrying amount of the right-of-use asset is fully written down.

#### (g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

#### (h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### (j) Inventories

##### *Finished Goods*

Finished goods are valued at lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### (k) Property, plant & equipment

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

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

# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (k) Property, plant & equipment (continued)

Depreciation is provided on property, plant and equipment including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write-off the net cost of each asset over its estimated useful life. The following estimated useful lives are used in the calculation of depreciation:

Freehold Buildings	50 years
CFEH leasehold improvements	4 years
Motor Vehicles	3-4 years
CFEH Diagnostic Equipment	3-10 years
Fixtures, Fittings and Computer Equipment	2-7 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

#### (l) Goods and services tax (GST)

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

- (i) the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- (ii) receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is in receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and activities which is recoverable from, or payable to, the ATO are presented as operating cash flows.

#### (m) Financial assets including investments

Financial assets including investments are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

##### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

# GUIDE DOGS NSW/ACT

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (m) Financial assets including investments (continued)

##### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

#### (n) Trade and other payables

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

#### (o) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and is capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and long service leave expected to be wholly settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

#### (p) Intangible assets – computer software

Costs incurred in developing systems and costs incurred in acquiring software and licenses are capitalised as computer software on the basis that they will provide financial benefits in the future. Costs capitalised include license fees, external direct costs of materials and consulting services. Amortisation is 3 years from the time of implementation unless specifically varied.

#### (q) Members' undertaking

Guide Dogs NSW/ACT is a company limited by guarantee and was incorporated on 28 June 1962. In the event of the company being wound up, members' liability is limited to an amount of \$1 per member. At balance date, there were 88 members comprising: 44 ordinary members, 18 honorary members and 26 auxiliary members. At 30 June 2019, there were 93 members comprising: 50 ordinary members, 19 honorary members and 24 auxiliary members.

#### (r) Accounts presentation

The classification "Accumulated Funds" has been used in the accounts as the company is limited by guarantee and therefore has no shareholders. It is believed that the use of the classification "Equity" would be misleading.



# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (s) New, revised or amended Accounting Standards and Interpretations adopted

The Group has applied all new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The main new Accounting Standard and Interpretation that became effective during the current reporting period is as follows:

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income for Not-for-Profit Entities
- AASB 16 Leases

#### (i) AASB 15: Revenue from Contracts with Customers ("AASB 15")

AASB 15 replaces AASB 18: Revenue and several revenue related Interpretations. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that the Group shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in the Group's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Group's performance the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

#### *Impact of adoption*

AASB 15 was adopted using the modified retrospective approach and, as such, comparatives have not been restated. There was no impact on accumulated funds as at 1 July 2019.

#### (ii) AASB 1058 Income of Not-for-Profit Entities ("AASB 1058")

AASB 1058 replaces AASB 1004: Contributions in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Where a transaction occurs with a customer that does not create enforceable rights and obligations, income is recognised at the time of receipt. If the transaction occurred in a contract with a customer that created enforceable rights and obligations and the contract does not include 'sufficiently specific' performance obligations, income is recognised at the time of receipt. Income may also be recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the Group to further its objectives.

For transfers of financial assets to the Group which enable it to acquire or construct a recognisable non-financial asset, the Group must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9 Financial Instruments, or provisions in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The liability is brought to account as income over the period in which the Group satisfies its performance obligation. If the transaction does not enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

#### *Impact of adoption*

AASB 1058 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of AASB 1058 compared with previous Accounting Standard AASB 1004 on the current reporting period.

# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (s) New, revised or amended Accounting Standards and Interpretations adopted (continued)

##### (iii) AASB 16 Leases ("AASB 16")

The Group has adopted AASB 16 from the 1 July 2019 which replaces AASB 117 'Leases' and for leases eliminates the classification of operating leases and finance leases.

The adoption of AASB 16 has resulted in the Group recognising right-of-use assets and related lease liabilities in connection with all former leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. Operating lease expense is also no longer recognised for these operating leases and is now replaced by interest and depreciation expense in the Statement of Comprehensive Income. For classification within the statement of cash flows, the interest portion is disclosed in operating activities as net interest received and the principal portion of the lease payments are separately disclosed in financing activities, as repayment of lease liabilities.

##### *Impact of adoption*

On adoption, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019. The weighted average incremental borrowing rate that applied to the lease liabilities on 1 July 2019 was 3.5%. The Group had no borrowings during the year and therefore determined the discount rate based on observable market borrowing rates.

Right of use assets were measured at their carrying amounts as if the standard had been applied since commencement date of each lease, but discounted using the incremental borrowing rate that applied on 1 July 2019.

The new accounting policies are disclosed in Note 1(e) & Note 1(f). AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	<b>1 July 2019</b>
	<b>\$</b>
Operating lease commitments as at 1 July 2019 (AASB 117)	4,161,183
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 3.5% (AASB 16)	(217,479)
Lease commitments GST portion	(378,289)
Short-term leases not recognised as right-of-use asset (AASB 16)	(920,573)
Other minor adjustments relating to commitment disclosure	(1,693)
Other adjustments due to options extending the leases to 2025 (AASB 117)	1,100,699
Net difference on depreciation expense, interest expense and lease payment upon adoption (AASB 16)	(133,358)
<b>Right-of-use assets</b>	<b>3,610,490</b>
Lease liabilities – current (AASB 16)	799,464
Lease liabilities – non-current (AASB 16)	2,945,107
	<b>3,744,571</b>
<b>Reduction in opening retained profits as at 1 July 2019</b>	<b>134,081</b>

# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 1. SUMMARY OF ACCOUNTING POLICIES (continued)

#### (s) New, revised or amended Accounting Standards and Interpretations adopted (continued)

When adopting AASB 16 from 1 July 2019, the Group has applied the following practical expedients:

- Applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- Accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- Excluding any initial direct costs from the measurement of right-of-use assets;
- Using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- Not apply AASB 16 to contracts that were not previously identified as containing a lease.

#### *Other amending Accounting Standards and interpretations*

Several other amending Accounting Standards and Interpretations apply for the first time for the reporting period commencing 1 July 2019. These other amending Accounting Standards and Interpretations did not result in any adjustments to the amounts recognised or disclosures in the financial report.

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. PROFIT FROM ORDINARY ACTIVITIES

#### (a) From continuing operations

	2020 \$	2019 \$
<i>Operating Revenue</i>		
Bequests	29,670,356	13,367,045
Donations	15,254,433	10,415,172
Sale of goods	128,176	132,590
Contract services income	395,543	401,123
<i>Other revenue</i>		
Interest	408,866	287,569
Distributions/Dividends including franking credits	817,940	1,393,090
National Disability Insurance Scheme, Medicare and other government revenue	4,477,950	3,154,547
Future Fund Income	-	3,635,843
Other income	743,398	1,022,652
	51,896,662	33,809,631

#### (b) Other income

Net (loss)/gain on financial assets including the fair value movement through profit & loss	(1,521,882)	1,076,870
Loss on disposal of non-current assets	(97,388)	(161,169)
Gain on disposal of Chatswood building	17,486,800	-

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

#### 3. PROFIT FROM ORDINARY ACTIVITIES (continued)

	2020	2019
	\$	\$
<b>(c) Expenses:</b>		
Surplus is calculated after deduction of the following specific expenses:		
Depreciation – property, plant and equipment	1,367,288	1,545,525
Depreciation – right-of-use assets	995,244	-
Amortisation of computer systems	8,544	86,527
Property expenses in relating to outgoings	312,753	864,264
Write back of previous years bad debt/ allowance for expected credit losses	-	(20,905)
<b>4. CURRENT – TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	1,219,855	196,219
Goods and services tax (GST) recoverable	95,108	182,873
Other	559,751	827,406
	<u>1,874,714</u>	<u>1,206,498</u>
<b>5. CURRENT INVENTORIES</b>		
Finished goods at cost	<u>28,240</u>	<u>26,691</u>
<b>6. OTHER FINANCIAL ASSETS</b>		
Term deposits – current	<u>42,650,009</u>	<u>5,957,121</u>
Term deposits - non-current	<u>17,121</u>	<u>250,008</u>
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	<u>287,028</u>	<u>337,006</u>
<b>8. NON-CURRENT – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
<b>At fair value:</b>		
Shares in listed companies / securities	3,029	529,017
Units in managed funds	36,435,951	37,387,763
Bonds	12,850	-
	<u>36,451,830</u>	<u>37,916,780</u>

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

#### 9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Buildings \$	CFEH Leasehold Improv. \$	Motor Vehicles \$	CFEH Diagnostic Equipment \$	Fixtures, Fittings and Computer Equipment \$	Total \$
<b>Year ended 30 June 2020</b>						
At 1 July 2019, net of accumulated depreciation	10,181,411	6,022	2,176,453	617,741	877,057	13,858,684
Transfer of make good	(115,460)	-	-	-	-	(115,460)
Additions	2,364	-	95,301	438,398	1,676,180	2,212,243
Disposals	(5,887,557)	(4,823)	(297,301)	-	(40,318)	(6,229,999)
Depreciation charge for the year	(282,661)	(400)	(385,490)	(154,647)	(544,090)	(1,367,288)
<b>At 30 June 2020, net of accumulated depreciation</b>	<b><u>3,898,097</u></b>	<b><u>799</u></b>	<b><u>1,588,963</u></b>	<b><u>901,492</u></b>	<b><u>1,968,829</u></b>	<b><u>8,358,180</u></b>
<b>At 30 June 2020</b>						
Cost	6,015,546	2,631,355	2,789,911	3,175,939	5,048,293	19,661,044
Accumulated depreciation	(2,117,449)	(2,630,556)	(1,200,948)	(2,274,447)	(3,079,464)	(11,302,864)
<b>Net carrying amount</b>	<b><u>3,898,097</u></b>	<b><u>799</u></b>	<b><u>1,588,963</u></b>	<b><u>901,492</u></b>	<b><u>1,968,829</u></b>	<b><u>8,358,180</u></b>
<b>At 30 June 2019</b>						
Cost	13,691,997	2,636,185	3,237,498	2,737,541	3,961,123	26,264,344
Accumulated depreciation	(3,510,586)	(2,630,163)	(1,061,045)	(2,119,800)	(3,084,066)	(12,405,660)
<b>Net carrying amount</b>	<b><u>10,181,411</u></b>	<b><u>6,022</u></b>	<b><u>2,176,453</u></b>	<b><u>617,741</u></b>	<b><u>877,057</u></b>	<b><u>13,858,684</u></b>

#### 10. RIGHT OF USE ASSETS

	2020 \$	2019 \$
Right-of-use assets – non-current	<u>3,065,687</u>	<u>-</u>

AASB16 was adopted using the modified retrospective approach and comparatives for right of use assets have not been provided. Refer to Note 1(s).

##### Reconciliation

Reconciliation of the carrying amount of the right-of-use assets from the date of adoption of AASB 16 (1 July 2019) and the end of the financial year is set out below:

	Property \$	Equipment \$	Total \$
Right of use assets recognised on adoption of AASB 16 (Note 1(s))	3,514,990	95,500	3,610,490
Additions during the year	450,441	-	450,441
Depreciation expense	(967,849)	(27,395)	(995,244)
	<u>2,997,582</u>	<u>68,105</u>	<u>3,065,687</u>

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

#### 10. RIGHT OF USE ASSETS (continued)

##### Additional information regarding leases

The Group has leases for offices and equipment. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group.

With the exception of short-term leases and low-value asset leases, each lease held by the Group is reflected in the statement of financial position as a right-of-use asset and a lease liability. Payments made for the short-term leases and low-value asset leases are expensed on a straight-line basis.

Amounts recognised in the Statement of Comprehensive Income relating to these leases were as follows:

	<b>\$</b>
Short-term lease expense	134,211
Low-value lease expense	-

There were no commitments for short term leases at 30 June 2020.

The Group's leases include extension and termination options which are exercisable by the company. These clauses provide the company opportunities to manage leases in order to align with its strategies. The extension and termination options which were reasonably certain to be exercised are included in the calculation of the right-of-use asset.

Details on interest expense and cashflows relating to lease liabilities are disclosed in Note 13.

#### 11. INTANGIBLE ASSETS

	2020	2019
	\$	\$
Computer software – at cost	186,197	1,187,261
Less amortisation	<u>(24,522)</u>	<u>(1,143,889)</u>
	<u>161,675</u>	<u>43,372</u>

#### 12. CURRENT – TRADE AND OTHER PAYABLES

Trade payables	528,751	274,649
Accruals	<u>1,814,649</u>	<u>1,499,733</u>
	<u>2,343,400</u>	<u>1,774,382</u>

#### 13. LEASE LIABILITIES

<b>Current</b>		
Lease Liabilities	<u>1,426,702</u>	<u>-</u>
<b>Non-current</b>		
Lease Liabilities	<u>2,397,007</u>	<u>-</u>

AASB16 was adopted using the modified retrospective approach and comparatives for lease liabilities have not been provided. Refer to Note 1(s).

Interest expense recognised in the profit or loss was \$138,928 and interest payable and principle payments made to lessors in respect to lease liabilities was \$1,287,938.

The Group recognised a total gain of \$17,486,800 relating to the sale and leaseback transaction regarding the Chatswood office building during the year.

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

#### 14. ACCUMULATED SURPLUS

	2020 \$	2019 \$
Balance at beginning of financial year	58,515,216	65,126,887
Opening retained earnings adjustment due to adoption of AASB 16	(134,081)	-
Net surplus/(deficit)	29,296,129	(5,255,822)
Transfer to reserves	-	(1,355,849)
	<u>87,677,264</u>	<u>58,515,216</u>
Balance at end of financial year	<u>87,677,264</u>	<u>58,515,216</u>

#### 15. RESERVES

##### **R.M. Moffitt Memorial Fund**

Balance at beginning of financial year	416,830	-
Movements	-	416,830
	<u>416,830</u>	<u>416,830</u>
Balance at end of financial year	<u>416,830</u>	<u>416,830</u>

##### **Robert and Elsie Burton Fund**

Balance at beginning of financial year	712,996	-
Movements	-	712,996
	<u>712,996</u>	<u>712,996</u>
Balance at end of financial year	<u>712,996</u>	<u>712,996</u>

##### **Netta and Alan Walker Fund**

Balance at beginning of financial year	226,023	-
Movements	-	226,023
	<u>226,023</u>	<u>226,023</u>
Balance at end of financial year	<u>226,023</u>	<u>226,023</u>

Balance at end of financial year	<u>1,355,849</u>	<u>1,355,849</u>
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These reserves relate to donated funds received and invested by Guide Dogs NSW/ACT. These were transferred from the Guide Dogs NSW/ACT Future Fund as part of its dissolution during FY19.

Guide Dogs NSW/ACT applies the investment income generated from these reserves to funding its operations but does not draw down on the principal

#### 16. RELATED PARTY TRANSACTIONS

##### (a) Directors

The following persons were directors of Guide Dogs NSW/ACT during the financial year:

K. Lane	R. Low
L. Druitt (resigned 28 October 2019)	D. Newton (appointed 28 October 2019)
P. Bajaj (appointed 28 October 2019)	B. Stephen (resigned 28 October 2019)
J. Bennett	
Z. Bull	
I. Jamieson	
J. Jones	
S. Kouris	

Directors receive no remuneration for their services.



## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

#### 16. RELATED PARTY TRANSACTIONS (continued)

##### (b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities for the parent company, directly or indirectly, during the financial year:

D. Cleaver	T. Bodger	G. Bryan*	A. Clarke
G. Bristow^	P. van der Heijden^	J. Lynch^	L. Peacock^

\* Employment ceased during the financial year, ^ appointed during the financial year.

##### (c) Key management personnel compensation

	Short term benefits	Post employment	Other long term benefits	Total
	\$	\$	\$	\$
2020	1,148,854	99,541	-	1,248,395
2019	1,323,246	109,221	-	1,432,467

##### (d) Other transactions with directors

During the financial year there were no reported related party transactions.

##### (e) Transactions with related parties

Guide Dogs NSW/ACT is a state member of Royal Guide Dogs Australia (RGDA).

Guide Dogs NSW/ACT generated \$481,420 (2019: \$280,742) of sales transactions and incurred \$482,730 (2019: \$211,625) of purchases transactions with RDGA during the year. At the 30 June 2020, RGDA owed Guide Dogs NSW/ACT \$71,712 (2019: \$20,217).

##### (f) Transactions with controlled entities

	2020	2019
	\$	\$
Expense support to CFEH during the year	3,773,563	4,083,035
Loan payable by CFEH as at year end	526,127	123,285

At 30 June 2020 the CFEH loan was Nil on consolidation of the group financial statements.

#### 17. NOTES TO THE STATEMENT OF CASH FLOWS

##### Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows and cash equivalents is reconciled to the related items in the Statement of Financial Position as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	4,398,898	4,099,679

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

**18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991**

(Fundraising aggregate gross income and expenditure)

Various fundraising activities were conducted during the year including appeals, regular giving, major gifts, and corporate partnerships.

	2020 \$	2019 \$
<b>Bequests</b>		
Gross proceeds	29,670,356	13,367,045
Expenditure – planned giving	<u>(706,344)</u>	<u>(897,537)</u>
	<u>28,964,012</u>	<u>12,469,508</u>
<b>Fundraising</b>		
Gross proceeds	15,254,433	10,415,172
Expenditure – fundraising	<u>(6,085,479)</u>	<u>(7,491,037)</u>
	<u>9,168,954</u>	<u>2,924,135</u>
<b>Net surplus from bequests &amp; fundraising</b>	<u><b>38,132,966</b></u>	<u><b>15,393,643</b></u>
<b>Sale of Merchandise</b>		
Gross proceeds – sale of goods	128,176	132,590
Expenditure	<u>-</u>	<u>(85,500)</u>
<b>Net surplus from direct marketing</b>	<u>128,176</u>	<u>47,090</u>
<b>Net surplus from all fundraising activities</b>	<u><b>38,261,142</b></u>	<u><b>15,440,733</b></u>
Client O&M service costs	(20,078,927)	(19,586,108)
CFEH service costs	(4,151,653)	(4,012,990)
Community education & advocacy	(99,117)	(135,758)
Marketing	(1,272,411)	(1,921,597)
Governance and administrative services	<u>(6,074,132)</u>	<u>(5,850,627)</u>
<b>Total charitable purpose expenditure</b>	<u><b>(31,676,240)</b></u>	<u><b>(31,507,080)</b></u>
<b>Surplus/(Deficit) in funds available from all activities</b>	<u><b>6,584,902</b></u>	<u><b>(16,066,347)</b></u>

## GUIDE DOGS NSW/ACT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

**18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (continued)**

	2020 \$	2019 \$
<b>Additional funds from the following sources</b>		
Contract income	395,543	401,123
Interest received	408,866	287,569
Distributions received (managed funds)	590,887	1,001,230
Dividends received (including franking credits)	227,053	391,860
Membership subscription	645	490
Rent received	1,572	1,560
National Disability Insurance Scheme, Medicare and other government grants	4,477,950	3,154,547
Future Fund Income	-	3,635,843
Other income	741,181	1,020,602
Net (loss)/gain on financial assets including the fair value movement through profit & loss	(1,521,882)	1,076,870
Net gain/(loss) on disposal of non-current assets	<u>17,389,412</u>	<u>(161,169)</u>
<b>Total Additional Funds net</b>	<u>22,711,227</u>	<u>10,810,525</u>
<b>Surplus/(Deficit) from Ordinary Activities</b>	<u>29,296,129</u>	<u>(5,255,822)</u>

	2020 \$		2019 \$		
<b>Comparisons</b>		<b>%</b>		<b>%</b>	
Total cost of all fundraising activities	6,791,823		8,474,074		
Gross income from all fundraising activities	45,052,965	*15%	23,914,807	35%	
Net surplus from all fundraising activities	38,261,142		15,440,733		
Gross income from all fundraising activities	45,052,965	85%	23,914,807	65%	
Total cost of direct services	24,329,697		23,734,856		
Total cost of expenditure	38,468,063	63%	39,981,154	59%	
Total cost of direct services	24,329,697		23,734,856		
Total revenue and other income received	67,764,192	36%	34,725,332	68%	

\* The decrease in cost of fundraising is due to the fact that some Regular Giving Expenditure is on hold due to Covid 19. Also, the bequest income for FY20 has been the highest ever received.

**19. AUXILIARIES AND SUPPORT GROUPS**

During the year the following auxiliaries/support groups contributed \$41,577 (2019: \$107,483) to Guide Dogs NSW/ACT.

Central Coast  
Dubbo  
Moree  
Mudgee

# GUIDE DOGS NSW/ACT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

### 20. SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with accounting policy described in note 1(b). The financial year end of the controlled entity is the same as that of the parent.

Name of entity	Country of incorporation	Percentage holding
Centre for Eye Health Limited	Australia	100%

Company limited by guarantee with Guide Dogs NSW/ACT as the sole member.

### 21. GUIDE DOGS NSW/ACT FUTURE FUND

On 2 January 2013, the company established the Guide Dogs NSW/ACT Future Fund. This fund was a Public Ancillary Fund that was set up with the intent to manage funds, preserve them and provide the company with an annuity income. During FY19 the Guide Dogs NSW/ACT Future Fund was closed. A sum of \$2,279,994 was returned to Guide Dogs. In addition, the three reserves originally transferred to the Future Fund, were returned in the amount of \$1,355,849.

### 22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter has arisen during the interval between 30 June 2020 and the date this financial report was authorised for issue that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future years.

# Guide Dogs

NSW/ACT

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