

GUIDE DOGS NSW/ACT

ABN 52 000 399 744

Financial Report for the Financial
Year Ended 30 June 2016

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Page
Directors' Report	3
Auditor's Independence Declaration	7
Independent Auditor's Report	8
Principal Officer Declaration – Charitable Fundraising Act 1991	10
Directors' Declaration	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Accumulated Funds	14
Statement of Cash Flows	15
Notes to the Financial Statements	16

These financial statements cover the financial statements of 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 2016. The directors have the power to amend and reissue the financial statement.

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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 2016.

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.

Mr Kieran Maurice LANE, President

LLB Hons, LLM

Practising solicitor and a former tax partner at KPMG. Aged 65. 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 5 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. Elected as President on 1 February 2016.

Mrs Linda Vivienne DRUITT, Vice President

BBus (Acc), CPA

Director, Nortons Business Advisors (Chartered Accountants). Aged 57. 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 is Chairman of the Finance, Audit & Risk Management Sub-committee and a member of the Nomination & Remuneration Sub-committee.

Mr James BENNETT

B Eng

Mechanical Engineer and self-employed business consultant (Disability Services Auditor). Aged 68. 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 consults as a Consumer Technical Expert and Lead Auditor for Quality Management Systems (ISO & AS) primarily participating in Disability Services Audits throughout Australia. 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.

Ms Zorana BULL

MA (Eng, Econ & Mgmt), FAICD

Founding Director of Altura Partners (Strategic Management Consultants - Sydney/Melbourne). Aged 49. 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, AirRoad Pty Ltd and Fancy Engineering Ltd. She was previously a Non-Executive Director with Moorebank Intermodal Company Limited and HealthShare NSW. Zorana is a member of the Finance, Audit & Risk Management Sub-committee.

Mr Ian Andrew JAMIESON

BCom (Mktg), CPM (AMI), MAICD

Strategic marketing consultant and co-founder of business strategy consultancy firm Marketing Initiatives. Aged 63. 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.

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT (continued)

Mr Steven KOURIS

BEc/LLB, LLM

Lawyer and commercial advisor. Aged 47. 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, and 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. Mr Kouris is an Alternate Director for the Centre for Eye Health.

Mr Hongbin LIU

MAppFin, MA

General Manager of the Industrial and Commercial Bank of China (ICBC) Sydney Branch. Aged 48. Elected to the Board as a Director in November 2013. Hongbin has over twenty years' experience at ICBC, including serving as the Chief Representative in Australia and General Manager in Italy.

Dr Anthony Broughton MOSMAN

BVSc

Veterinarian and partner of the Bondi Junction Veterinary Hospital since 1976, the home of the present TV series "Bondi Vet". Aged 69. Joined the Board in 1999. Past activities include President of the Australian Veterinary Association, Sydney, and serving on several municipal council animal advisory groups. Tony is a Director for the Centre for Eye Health.

Mr Allan Barry Calvert Stephen, OAM

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. Aged 73. Joined the Board in 1999. Chairman of the Centre for Eye Health Limited. Currently a member of the Finance, Audit & Risk Management Sub-committee and the Nomination & Remuneration Sub-committee. Resigned as President on 1 February 2016.

Directors' Meetings

The number of meetings of the Group's board of directors held during the year ended 30 June 2016, 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
J S Bennett	11	8	-	-
Z Bull	11	11	10	8
L V Druitt	11	11	10	10
I A Jamieson	11	10	-	-
S Kouris	11	9	-	-
K M Lane	11	9	10	8
H Liu	11	6	-	-
A B Mosman	11	8	-	-
A B C Stephen	11	9	10	9

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT (continued)

Board of Directors	Nomination & Remuneration Committee Meetings		Corporate Governance Committee Meetings	
	eligible to attend	attended	eligible to attend	attended
J S Bennett	-	-	-	-
Z Bull	-	-	-	-
L V Druitt	4	4	-	-
I A Jamieson	4	4	-	-
S Kouris	-	-	-	-
K M Lane	3	3	-	-
H Liu	-	-	-	-
A B Mosman	-	-	-	-
A B C Stephen	4	4	-	-

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 imaging and visual systems diagnostic service 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. 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 health diagnostic testing services. In addition, provide a facility to enhance the training and education of optometrists plus enable increased research activity using the data collected by the Centre for Eye Health (CFEH).

(c) Strategies

The Group operates within a strategic framework which is reviewed by the Board each year. The current Strategic Plan covers the period 2016 to 2021. The key goals of the Strategic Plan are: to achieve financial sustainability, to engage the right people, to be client focused, to reduce vision loss and to achieve a high level of service excellence.

(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 KPIs but also staff and client satisfaction and brand health.

Principal Activities, and Achievement of Objectives

The principal activities of the Group in the course of the financial year were:

- providing orientation and mobility services for people with impaired vision in NSW and the ACT;
- training and placing guide dogs with people in NSW and the ACT who have impaired vision;
- training and placing dogs as pets as therapy dogs to people disadvantaged due to disability, age or ill health in NSW and the ACT;

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT (continued)

Principal Activities, and Achievement of Objectives (continued)

- providing advocacy and community education on the needs and rights of people with vision impairment;
- providing specialist support and resources for health professionals working with people with impaired vision in NSW and the ACT;
- providing a specialist service to clients in conjunction with UNSW Australia, at the Low Vision Clinic, at Chatswood, NSW plus operating low vision clinics in partnership with local optometrists in some regional areas in NSW; and
- operating a centre, to provide an eye health diagnostic testing service to the people of NSW and ACT. This includes follow up and monitoring of clients identified with eye disease to minimise the incidence of preventable vision loss. Also interacting with relevant industry professionals including conducting professional development courses in an effort to improve the general skill levels within optometry.

Financial Performance and Results

For the year ended 30 June 2016, the Group operations resulted in a surplus of \$9,225,773 (2015: surplus of \$4,835,414). This surplus is attributable to a surge in bequest revenue (\$28,556,902 compared to \$18,565,657 in the prior year). The result also includes a further contribution to the Guide Dogs NSW/ACT Future Fund of \$2,000,000.

The overall Group revenue for the year was \$40,548,507 (2015: \$30,187,509), which is an increase of 34.3%, when compared to the prior year (2015: increase of 38.0% when compared to 2014).

Operational Performance Measures

The number of Orientation and Mobility (O&M) programs completed with clients by the parent entity was 7,219 which compares to 7,083 from 2015, a 1.9% increase. 883 new clients were referred compared to 1,022 in 2015, a 13.6% decrease. In line with the new strategic plan, Guide Dogs NSW/ACT has focussed on resetting our direction and expanding services to clients. Key resources were therefore focussed on developing plans for the service expansion and building specialist expertise. This resulted in a short-term reduction of the number of instructors available to provide services to clients and generate referrals. The growth in the number of Guide Dog Mobility Instructors, Orientation & Mobility Specialists, and Guide Dogs instructors is expected to increase the number of completed programs and generate referrals in the coming year.

There were 240 working dogs at 30 June 2016 compared to 239 at June 2015. It is expected that this number will grow as the number of guide dog mobility instructors and guide dog trainers increase.

The total cost of Client Services including dogs was \$13,250,076 (2015: \$12,092,384). The cost of the Guide Dog Centre was \$3,071,618 (2015: \$2,420,838).

CFEH saw 6,824 clients during the year ending 30 June 2016 at a net cost of \$2,637,255 (\$386 per client). This compares to 5,296 clients at a cost of \$2,377,545 for the year ending 30 June 2015 (\$449 per client).

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 7.

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


K M Lane
Director

Sydney
26 October 2016

GUIDE DOGS NSW/ACT

ABN 52 000 399 744

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 consolidated financial report of Guide Dogs NSW/ACT for the year ended 30 June 2016.

This declaration is in respect of Guide Dogs NSW/ACT and the entity it controlled during the year.



Sydney, NSW
26 October 2016

HLB Mann Judd
Chartered Accountants

GUIDE DOGS NSW/ACT

ABN 52 000 399 744

INDEPENDENT AUDITOR'S REPORT

To the members of Guide Dogs NSW/ACT

We have audited the accompanying financial report of Guide Dogs NSW/ACT ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entity it controlled at year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the *Australian Charities and Not-for-profits Commission Act 2012* ("the ACNC Act") and for such internal control as the directors 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the ACNC Act.

GUIDE DOGS NSW/ACT**ABN 52 000 399 744****INDEPENDENT AUDITOR'S REPORT (CONTINUED)*****Opinion***

In our opinion:

- (a) the financial report of Guide Dogs NSW/ACT is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (iii) we have been given all information, explanation and assistance necessary for the conduct of the audit;
 - (iv) the company has kept financial records sufficient to enable a financial report to be prepared and audited; and
 - (v) the company has kept other records as required by Part 3.2 of the ACNC Act.
- (b) 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:
 - (i) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate;
 - (ii) the financial report and association 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
 - (iii) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

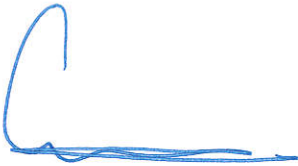
**Sydney, NSW
26 October 2016****HLB Mann Judd
Chartered Accountants**

GUIDE DOGS NSW/ACT

PRINCIPAL OFFICER DECLARATION – CHARITABLE FUNDRAISING ACT 1991

I, Graeme White, 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.



G White
Chief Executive Officer

26 October 2016

GUIDE DOGS NSW/ACT

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 30 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards, 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 2016 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.



K M Lane
Director

Sydney
26 October 2016

GUIDE DOGS NSW/ACT

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Consolidated	
	Notes	2016	2015
		\$	\$
Income			
Revenue from continuing operations	3(a)	40,548,507	30,187,509
Net loss on non-current assets held at fair value through profit & loss	3(b)	(1,437,423)	(1,171,346)
Net loss on disposal of investments	3(c)	(304,566)	-
Net (loss) on disposal non-current assets	3(b)	(114,157)	(66,947)
		38,692,361	28,949,216
Expenses			
Client service costs (Guide Dogs NSW/ACT & CFEH)		(15,922,038)	(14,470,397)
Community education and advocacy		(1,064,373)	(815,157)
Telephone marketing costs		(1,255,345)	(1,302,325)
Fundraising overheads including:			
- Fundraising donor management		(1,067,635)	(635,052)
- Planned giving expenditure		(1,072,820)	(865,076)
- Appeal costs		(2,277,309)	(1,326,065)
Marketing		(1,205,549)	(1,216,538)
Governance and administrative services		(3,601,519)	(3,339,041)
Contribution to the Guide Dogs Future Fund	23	(2,000,000)	(144,151)
		(29,466,588)	(24,113,802)
Net Surplus from continuing activities		9,225,773	4,835,414
Other comprehensive income / (loss)			
<i>(Items that will not be reclassified to surplus or loss)</i>			
Transfer to Guide Dogs Future Fund	23	-	(1,355,849)
Total comprehensive income		9,225,773	3,479,565

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 2016

		Consolidated	
	Notes	2016	2015
		\$	\$
Current Assets			
Cash and cash equivalents	17	3,735,213	2,338,700
Trade and other receivables	4	836,391	1,330,024
Inventories	5	76,986	177,553
Held-to-maturity investments	6	13,400,000	14,900,000
Other	7	199,112	193,507
Total Current Assets		18,247,702	18,939,784
Non-Current Assets			
Held-to-maturity investments	6	5,040,000	40,000
Financial assets designated at fair value through profit or loss	8	29,369,477	24,350,692
Property, plant and equipment	9	13,824,082	13,287,948
Intangibles	10	951,901	1,024,601
Total Non-Current Assets		49,185,460	38,703,241
Total Assets		67,433,162	57,643,025
Current Liabilities			
Trade and other payables	11	1,447,627	1,145,226
Employee leave provisions		1,231,095	1,091,628
Total Current Liabilities		2,678,722	2,236,854
Non-Current Liabilities			
Employee leave provisions		556,336	433,840
Total Non-Current Liabilities		556,336	433,840
Total Liabilities		3,235,058	2,670,694
Net Assets		64,198,104	54,972,331
Accumulated Funds			
Accumulated surplus	13	64,198,104	54,972,331
Total Accumulated Funds		64,198,104	54,972,331

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 2016

	Consolidated		
	Accumulated Surplus \$	Reserves \$	Total Accumulated Funds \$
At 30 June 2014	50,136,917	1,355,849	51,492,766
Total comprehensive income	4,835,414	(1,355,849)	3,479,565
At 30 June 2015	54,972,331	-	54,972,331
Total comprehensive income	9,225,773	-	9,225,773
At 30 June 2016	64,198,104	-	64,198,104

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 2016

		Consolidated	
Notes	2016	2015	
	\$	\$	
Cash Flows from Operating Activities			
Receipts from:			
Bequests	22,700,102	18,565,657	
Donations and other fundraising income	7,312,397	7,738,695	
Sale of goods - Telephone marketing	807,186	1,088,986	
Managed fund distributions	862,569	940,833	
Interest received	554,750	601,496	
Franking credits refunded	201,310	214,433	
National Disability Insurance Scheme(NDIS), Medicare and other government revenue	572,172	373,602	
Other income incl. rent received	319,810	103,844	
Payments to suppliers and employees	<u>(25,343,303)</u>	<u>(22,341,398)</u>	
Net cash generated from operating activities	17	<u>7,986,993</u>	<u>7,286,148</u>
Cash Flows from Investing Activities			
Payment for intangible assets	(4,310)	(31,215)	
Payments for property, plant and equipment – Guide Dogs NSW/ACT	(2,132,629)	(1,378,295)	
Payments for property, plant and equipment – Centre for Eye Health	(355,553)	(44,990)	
Proceeds from sale of property, plant and equipment – Guide Dogs NSW/ACT	472,732	446,214	
Payments for investments	(8,500,000)	(11,000,000)	
Contribution to the Guide Dogs Future Fund	(2,000,000)	(1,500,000)	
Proceeds from sale of investments & loans	<u>5,929,280</u>	<u>6,229,390</u>	
Net cash (used in) investing activities		<u>(6,590,480)</u>	<u>(7,278,896)</u>
Net increase in cash held		1,396,513	7,252
Cash and cash equivalents at the beginning of the financial year		<u>2,338,700</u>	<u>2,331,448</u>
Cash and cash equivalents at the end of the financial year	17	<u>3,735,213</u>	<u>2,338,700</u>

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

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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 interpretation 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 purpose under Australian Accounting Standards.

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

The consolidated financial statement of the Guide Dogs NSW/ACT group complies 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 designated at fair value through profit or loss.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Centre for Eye Health, the subsidiary of Guide Dogs NSW/ACT (“company” or “parent entity”) as at 30 June 2016 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(c) Revenue Recognition

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 company. Bequests received in the form of investments or other non cash items are taken into account when received at their estimated market value at the time of receipt.

Trading Revenue

Trading revenue consists of proceeds from the sale of inventory and commission from the marketing of a third party's products and is recorded on an accrual basis.

Auxiliaries'/Support Groups' Contributions

At the end of the financial year, the company had five 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 investments

Net gains or losses on investments designated 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 income

Revenue is recognised as the interest accrues on the net carrying amount of the financial asset.

(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) Leases

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases (Note 14). Payments made under operating leases (net of any incentives received from lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(f) Impairment of 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). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(g) 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.

(h) Trade and other receivables

Trade receivables and other receivables are recorded at amounts due less provision for impairment. Trade receivables are generally due for settlement within 30 days.

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

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

(i) 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.

(j) 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 2016

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(j) 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	7 years
CFEH Diagnostic Equipment	3 -10 years
Office Furniture and 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(f)).

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.

(k) 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.

(l) Investments and financial assets

Classification

The group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting period.

(i) Designated as at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated at fair value. A financial asset is classified in this category if acquired for the purpose of longer term investment. Assets in this category are classified as non-current assets.

These investments have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are managed and their performance evaluated on a fair value basis in accordance with the risk management and investment strategies of the company.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(l) Investment and financial assets (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Loans and receivables are included in trade and other receivables in the Statement of Financial Position (note 4).

(iii) Held-to-maturity investments

The group classifies its term deposits as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in current assets except those with maturities greater than 12 months from the end of the reporting period, which are classified as non-current assets.

Fair Value

For investments traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the balance date.

Investments in other unlisted unit trusts are recorded at the redemption value per unit.

Recognition and Derecognition

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets designated as at fair value through profit or loss are revalued to fair value at each reporting period.

Subsequent Measurement

Loans and receivables, and held-to-maturity investments are carried at amortised cost using the effective interest method.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Changes in the fair value of financial assets designated at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is evidence of impairment for any of the group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The loss is recognised in Statement of Comprehensive Income.

(m) 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.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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 contribute to future periods financial benefits. Costs capitalised include license fees, external direct costs of materials and consulting services. The computer software system has an estimated useful life of 15 years and is being amortised in equal amounts over this period.

(p) 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 \$20 per member. At balance date there are 129 members comprising: 88 financial members, 15 honorary members and 26 auxiliary members. At 30 June 2015, 139 members comprising: 99 financial members, 14 honorary members and 26 auxiliary members.

(q) 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.

(r) New accounting standards and interpretations

The new accounting standards and interpretations published that are mandatory for the year ended 30 June 2016, do not have a material impact on the presentation and disclosure of the financial statements.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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.

	2016	2015
	\$	\$
3. PROFIT FROM ORDINARY ACTIVITIES		
(a) From continuing operations		
<i>Operating Revenue</i>		
Bequests	28,556,902	18,565,657
Donations	7,312,397	7,738,695
Sale of goods - Telephone marketing	775,834	1,032,015
Contract services income	165,172	28,314
<i>Other revenue</i>		
Interest	496,110	601,496
Distributions/Dividends including franking credits	2,127,432	1,377,550
National Disability Insurance Scheme (NDIS), Medicare and other government revenue	572,172	373,602
Rental	1,560	1,560
Other	540,928	468,620
	<u>40,548,507</u>	<u>30,187,509</u>
(b) Other income		
Fair value (losses) / gains on other financial assets at fair value through profit or loss	(1,437,423)	(1,171,346)
Net (loss) on disposal of non-current assets	(114,157)	(66,947)
(c) Expenses		
Surplus is calculated after deduction of the following specific expenses:		
Depreciation – property, plant and equipment	1,182,299	1,212,950
Amortisation of computer systems	76,618	76,262
Rental expense relating to operating leases	580,018	575,430
Provision for impairment of receivables	47,538	19,923
Inventory write-downs	9,041	62,211
Net loss on disposal of investments	304,566	-

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
4. CURRENT – TRADE AND OTHER RECEIVABLES		
Trade receivables	170,752	187,392
Allowance for impairment of receivables	<u>(9,345)</u>	<u>(41,585)</u>
	161,407	145,807
Goods and services tax (GST) recoverable	107,676	74,191
Other	<u>567,308</u>	<u>1,110,026</u>
	<u>836,391</u>	<u>1,330,024</u>
<p>Due to the short term nature of these receivables, their carrying amount is considered to approximate their fair value.</p>		
5. CURRENT - INVENTORIES		
Finished goods – at cost (Telemarketing merchandise)	118,153	248,447
Allowance for impairment of finished goods	<u>(41,167)</u>	<u>(70,894)</u>
	<u>76,986</u>	<u>177,553</u>
6. HELD-TO-MATURITY INVESTMENTS		
Term deposits - current	<u>13,400,000</u>	<u>14,900,000</u>
Term deposits - non-current	<u>5,040,000</u>	<u>40,000</u>
7. OTHER CURRENT ASSETS		
Prepayments	<u>199,112</u>	<u>193,507</u>
8. NON-CURRENT - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS		
At fair value:		
Shares in listed companies / securities	67,991	1,989
Units in managed funds	30,572,342	25,771,698
Allowance for impairment of managed funds	<u>(1,270,856)</u>	<u>(1,422,995)</u>
	<u>29,369,477</u>	<u>24,350,692</u>

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Buildings \$	CFEH Leasehold improve. \$	Motor Vehicles \$	CFEH Diagnostic Equipment \$	Furniture & Equipment \$	Total \$
Year ended 30 June 2016						
At 1 July 2015, net of accumulated depreciation	9,575,815	11,540	1,814,576	1,353,225	532,792	13,287,948
Additions	936,421	-	813,182	143,495	368,886	2,261,984
Transfers	-	-	-	-	-	-
Disposals	-	-	(396,706)	(23,430)	(9,258)	(429,394)
Disposal adjustment	(877)	-	(45,729)	(75,582)	8,031	(114,157)
Depreciation charge for the year	(229,218)	(3,098)	(363,022)	(280,257)	(306,704)	(1,182,299)
At 30 June 2016, net of accumulated depreciation	<u>10,282,141</u>	<u>8,442</u>	<u>1,822,301</u>	<u>1,117,451</u>	<u>593,747</u>	<u>13,824,082</u>
At 30 June 2016						
Cost	13,410,574	2,653,030	2,348,914	2,804,548	5,502,246	26,719,312
Accumulated depreciation and impairment	(3,128,433)	(2,644,588)	(526,613)	(1,687,097)	(4,908,499)	(12,895,230)
Net carrying amount	<u>10,282,141</u>	<u>8,442</u>	<u>1,822,301</u>	<u>1,117,451</u>	<u>593,747</u>	<u>13,824,082</u>
At 30 June 2015						
Cost	12,476,392	2,653,030	2,529,603	2,842,927	5,277,134	25,779,086
Accumulated depreciation and impairment	(2,900,577)	(2,641,490)	(715,027)	(1,489,702)	(4,744,342)	(12,491,138)
Net carrying amount	<u>9,575,815</u>	<u>11,540</u>	<u>1,814,576</u>	<u>1,353,225</u>	<u>532,792</u>	<u>13,287,948</u>

10. INTANGIBLE ASSETS

	2016 \$	2015 \$
Computer software – at cost	1,150,964	1,147,046
Less amortisation (see note 1(o))	(199,063)	(122,445)
	<u>951,901</u>	<u>1,024,601</u>

11. CURRENT – TRADE AND OTHER PAYABLES

Trade payables	478,565	261,078
Accruals	969,062	884,148
	<u>1,447,627</u>	<u>1,145,226</u>

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

12. RESERVES	2016 \$	2015 \$
R.M. Moffitt Memorial Fund		
Balance at beginning of financial year	-	416,830
Movements	-	(416,830)
	-	-
Balance at end of financial year	-	-
Robert and Elsie Burton Fund		
Balance at beginning of financial year	-	712,996
Movements	-	(712,996)
	-	-
Balance at end of financial year	-	-
Netta and Alan Walker Fund		
Balance at beginning of financial year	-	226,023
Movements	-	(226,023)
	-	-
Balance at end of financial year	-	-
	-	-
	-	-
<p>These reserves relate to donated funds received and invested by Guide Dogs NSW/ACT. These were transferred to the Guide Dogs NSW/ACT Future Fund in the 2015 financial year.</p>		
13. ACCUMULATED SURPLUS		
Balance at beginning of financial year	54,972,331	50,136,917
Net surplus	9,225,773	4,835,414
	64,198,104	54,972,331
	64,198,104	54,972,331
14. LEASES		
Operating leases - Leasing arrangements		
<p>The operating leases relate to a number of office premises with lease terms expiring from 30 September 2016 to 30 April 2021. One contract has an option for renewal of a four year extension. The other contracts have no options for extensions.</p>		
Non-cancellable operating leases		
Within 1 year	660,770	767,327
Later than 1 year but not later than 5 years	799,763	1,112,341
	1,460,533	1,879,668
	1,460,533	1,879,668
15. COMMITMENTS FOR EXPENDITURE		
Capital commitments		
<p>Commitments for the acquisition of plant, equipment and software systems contracted for at the reporting date but not recognised as liabilities payable:</p>		
Within one year	551,895	500,405
Less: GST	(50,172)	(45,491)
	501,723	454,914
	501,723	454,914

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$

16. RELATED PARTY DISCLOSURES

(a) Directors

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

J Bennett	K M Lane
Z Bull	H Liu
L V Druitt	A B Mosman
I A Jamieson	A B C Stephen
S Kouris	

Directors receive no remuneration for their services.

(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:

P Adrian*	F Crawford	M Morgan^	C Ulm
S Biles	L Davis	N Shaw	G White
E Cooper	G Mitchell~	F Tinsley	N Moses#

* Appointed 4/1/16, ^ appointed 1/7/2015, ~ no longer considered key management as at 31/10/15, # appointed 23/5/2016

(c) Key management personnel compensation

	Short term benefits \$	Post employment \$	Other long term benefits \$	Total \$
2016	1,576,922	161,166	13,880	1,751,968
2015	1,546,237	153,669	16,263	1,716,169

(d) Other transactions with directors

During the financial year payments were made for services rendered on a commercial basis to a veterinary hospital in which a director has an interest. Amounts of \$1,195 (2015: \$788) were paid to a vet hospital in which A B Mosman had an interest.

Transactions with controlled entities

	2016	2015
	\$	\$
Grants paid to CFEH	2,637,255	2,377,545

(e) Loan to related entity

CFEH loan	1,352,393	1,401,455
-----------	-----------	-----------

This loan is unsecured, interest free and has no fixed date of repayment.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>3,735,213</u>	<u>2,338,700</u>

18. SUPERANNUATION COMMITMENTS

The group contributes to a number of superannuation plans as required under current legislation which allows employees a choice of funds. The group contributes to these plans, which provide accumulation benefits on retirement, disability or death. Employees contribute to the plans at various percentages of their wages and salaries. The group also contributes to the plans at rates related to employee contributions or in accordance with the rates required under the Superannuation Guarantee Levy.

The group has a legal obligation to contribute as per legislation and current employment contracts with employees.

Funds are available to satisfy all benefits that have been vested under the various plans in the event of termination of the plans, or voluntary or compulsory termination of the employment of each employee.

19. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (Fundraising aggregate gross income and expenditure)

	2016	2015
	\$	\$
Bequests		
Gross proceeds	28,556,902	18,565,657
Expenditure – planned giving	<u>(1,072,820)</u>	<u>(865,076)</u>
	<u>27,484,082</u>	<u>17,700,581</u>
Fundraising		
Gross proceeds	7,312,397	7,738,695
Expenditure – fundraising	<u>(3,344,944)</u>	<u>(1,961,117)</u>
	<u>3,967,453</u>	<u>5,777,578</u>
Net surplus from bequests & fundraising	31,451,535	23,478,159
Direct Marketing (Telemarketing)		
Gross proceeds – sale of goods	775,834	1,032,015
Expenditure	<u>(1,246,304)</u>	<u>(1,240,114)</u>
Net deficit from direct marketing	<u>(470,470)</u>	<u>(208,099)</u>
Net surplus from all fund raising activities	<u>30,981,065</u>	<u>23,270,060</u>

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

19. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (Continued)	2016	2015		
	\$	\$		
Client O&M service costs	(13,250,076)	(12,092,384)		
CFEH service costs	(2,671,962)	(2,378,013)		
Community education & advocacy	(1,064,373)	(815,157)		
Marketing	(1,205,549)	(1,216,538)		
Governance and administrative services	(3,601,519)	(3,339,041)		
Contribution to the Guide Dogs Future Fund	(2,000,000)	(144,151)		
Total charitable purpose expenditure	(23,793,479)	(19,985,284)		
Surplus / (Deficit) in funds available from all activities	7,187,586	3,284,776		
Additional funds from the following sources				
Contract income	339,482	121,459		
Interest received	496,110	601,496		
Distributions received (managed funds)	1,788,804	1,175,151		
Dividends received (including franking credits)	338,628	202,399		
Membership subscription	811	1,020		
Rent received	1,560	1,560		
National Disability Insurance Scheme (NDIS), Medicare and other government grants	572,172	373,602		
NHMRC grant	37,723	44,039		
Other income	328,084	330,416		
Net gain on sale of property, plant & equipment	85,561	52,930		
Net loss on sale of investments	(304,566)	-		
Write (down) of investments	(1,437,423)	(1,171,346)		
Net (loss) on sale of property, plant and equipment	(199,718)	(119,877)		
Write (down) of inventories	(9,041)	(62,211)		
Total Additional Funds net	2,038,187	1,550,638		
Surplus from Ordinary Activities	9,225,773	4,835,414		
	2016		2015	
	\$	%	\$	%
Total cost of fundraising & planned giving/ Gross income from fundraising & bequests*	4,417,764 35,869,299	12.3	2,826,193 26,304,352	10.7
Total costs of direct marketing/ Gross income from direct marketing*	1,246,304 775,834	160.6	1,240,114 1,032,015	120.2
Net surplus from all fund raising activities/ Gross income from all activities*	30,981,065 36,645,133	84.5	23,270,060 27,336,367	85.1
Total cost of services/ Total expenditure*	16,986,411 23,793,479	71.4	15,285,554 19,985,284	76.5
Total cost of services/ Gross income from all activities*	16,986,411 36,645,133	46.4	15,285,554 27,336,367	55.9

* Direct marketing activities are focused on communicating with supporters. Therefore, a relatively small percentage of direct marketing costs are allocated to income generation. Cost of services includes Guide Dogs NSW/ACT client O&M costs plus CFEH clinic costs. Given the projected growth, it was essential to invest in future growth and build fundraising income to achieve our strategic goals. It is expected that for the first few years, investment will exceed income growth.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

20. AUXILIARIES AND SUPPORT GROUPS

During the year the following auxiliaries/support groups contributed \$65,522 (2015: \$9,562) to Guide Dogs NSW/ACT.

Central Coast Mudgee	Dubbo Tamworth	Moree
-------------------------	-------------------	-------

21. 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.

22. PARENT ENTITY INFORMATION

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

(Guide Dogs NSW/ACT only – not including CFEH)

	2016 \$	2015 \$
Current assets	18,148,179	18,919,133
Total assets	67,414,912	57,624,425
Current liabilities	2,660,472	2,218,254
Total liabilities	3,216,808	2,652,094
Accumulated Funds		
Accumulated surplus	64,198,104	54,972,331
	64,198,104	54,972,331
Net surplus from ordinary activities	9,225,773	6,257,286
Other comprehensive income	-	(1,355,849)
Total comprehensive income	9,225,773	4,901,437
Parent Guarantees of Subsidiaries	Nil	Nil
Parent Contingent Liabilities	Nil	Nil
Parent Contractual Commitments for Acquisition of Property, Plant & Equipment	352,541	500,405

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

23. GUIDE DOGS NSW/ACT FUTURE FUND

On 2 January 2013, the company established the Guide Dogs NSW/ACT Future Fund. This fund is a Public Ancillary Fund that was set up with the intent to manage funds, preserve them and provide the company with an annuity income. Guide Dogs NSW/ACT is the sole beneficiary of the fund and Equity Trustees is the trustee and investment manager. During the year, an amount of \$2,000,000 was contributed to the fund, bringing total funds under management to approximately \$3.5 million.

24. SUBSEQUENT EVENTS

The Company, in negotiation with NSW Health, is establishing a satellite clinic within The Sutherland Hospital. This clinic will require additional equipment and will add to the operating costs of CFEH. A public donation of \$100,000 was received prior to 30 June 2016 to assist with the funding of the clinic. Guide Dogs NSW/ACT has given an undertaking to support the clinic until October 2018.