GUIDE DOGS NSW/ACT

ABN 52 000 399 744

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

These financial statements cover the consolidated financial statements of the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiaries, Centre for Eye Health Limited and Australian Centre for Eye Health Limited (previously Sight Enhancement Services (ACT) Limited). These financial statements are presented in Australian currency.

These financial statements were authorised for issue by the directors on 11 October 2010. The Company has the power to amend and reissue the financial statements.

DIRECTOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

Your directors present their report on the company for the financial year ended 30 June 2010:

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.

Mr Allan Barry Calvert STEPHEN FFA, FIAA, FAICD	President Formerly General Manager Zurich Australia Limited. Aged 67. Joined the Board in 1999 in a non-executive capacity. Currently a member of the Finance, Audit & Risk Management Sub-committee as well as a member of Nomination & Remuneration Sub-committee.
Mrs Linda Vivienne DRUITT BBus (Acc), CPA	Vice President Partner, Nortons Business Advisors (Chartered Accountants). Aged 51. Joined the Board in 2004 in a non-executive capacity. Currently Chair of the Finance, Audit & Risk Management Sub-committee and a member of the Nomination & Remuneration Sub-committee.
Ms Zorana BULL MA (Eng, Econ & Mgmt), GAICD	Founding Director of Altura Partners (Strategic Management Consultants - Sydney/Melbourne). Aged 43. Joined the Board on 21 June 2010 in a non-executive capacity.
Mr Ian Andrew JAMIESON BCom (Mktg), CPM (AMI)	Managing Director of Marketing Initiatives Pty Limited. Aged 57. Joined the Board in 2008 in a non-executive capacity. Currently a member of the Corporate Governance Sub-committee.
Mr Steven KOURIS BEc/LLB, LLM	Self employed lawyer and consultant. Aged 41. Joined the Board on 3 May 2010 in a non-executive capacity. Currently a member of the Corporate Governance Committee.
Dr Graeme Craig MACPHERSON BVSc, MVCS, FACVSc	Veterinary Surgeon (specialist small animal surgeon). Aged 50. Joined the Board in 2000 in a non-executive capacity. Resigned 29 March 2010 (not photographed).
Dr Anthony Broughton MOSMAN BVSc	Veterinarian, Partner Bondi Junction Veterinary Hospital. Aged 62. Joined the Board in 1999 in a non-executive capacity. Currently Chair of the Corporate Governance Sub-committee.
Mr Richard Denis NEWBERRY	Manager, Tamworth Plaster Works. Aged 54. Joined the Board in 1998 in a non-executive capacity.
Mr Andrew Robert PIERCE FCA	Self-employed chartered accountant. Aged 66. Joined the Board in 1992 in a non-executive capacity. Currently Chair of the Nomination & Remuneration Sub-committee, and a member of the Finance, Audit & Risk Management Sub-committee.

Objectives and Strategies

(a) Short Term Objectives

To provide quality and customised orientation and mobility services for people with impaired vision in New South Wales and ACT including the training and provision of guide dogs as mobility aids. To provide a state-of-the-art imaging and visual systems diagnostic service, at no charge, to the people of NSW/ACT.

(b) Long Term Objectives

To expand the provision of appropriate services to people with impaired vision in New South Wales and ACT. Work with related guide dog agencies across Australia and worldwide to improve the quality and reach of the services provided. To work with eye health care professionals to reduce the incidence of preventable vision loss in NSW and ACT.

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 New South Wales and ACT;
- training guide dogs as mobility aids for people with impaired vision in New South Wales and ACT;
- training dogs as companions to people disadvantaged due to disability, age or ill health in New South Wales and ACT;
- providing specialist support and resources for health professionals working with people with impaired vision and other disabilities in New South Wales and ACT;
- providing a specialist service to clients, in conjunction with University of New South Wales, at the Low Vision Clinic, at Chatswood, NSW; and
- establishing and operating a centre, to provide free eye health diagnostic testing services to the people of New South Wales and ACT.

Performance Measures

For the year ended 30 June 2010, the Group operations resulted in a surplus of $1,453,353 (2009: deficit of $927,504). The Group revenue for the year was $22,642,771 (2009: $22,194,973), which is an increase of 2.0%, when compared to last year.

In the 2009/2010 year the number of Orientation and Mobility programs delivered to clients by the parent entity was 5,702 which is largely unchanged from the 2008/2009 number of 5,644. This represents a 1.0% change (2008/09: -0.9%) over the previous year. The cost of such services was some $10,548,104 or 9.6% more than in 2008/2009 (2008/2009: 6.9%).

In addition Centre for Eye Health commenced clinical operations in February 2010 and in the period to 30 June 2010 saw 842 clients. For the full year ending 30 June 2011, this is projected to grow to approximately 9,600 clients.

Directors' Meetings

The number of meetings of the Group's board of directors held during the year ended 30 June 2010, and the numbers of meetings attended by each director were:

Board of Directors	Board Meetings eligible to attend	Board Meetings attended	Finance, Audit & Risk Management Committee meetings eligible to attend	Finance, Audit & Risk Management Committee meetings attended
Z Bull	1	1	-	-
L V Druitt	13	13	13	13
I A Jamieson	13	11	-	-
S Kouris	3	3	-	-
G C Macpherson	10	9	-	-
A B Mosman	13	13	-	-
R D Newberry	13	11	-	-
A R Pierce	13	11	13	10
A B C Stephen	13	13	13	12

Board of Directors	**Nomination & Remuneration Committee meetings eligible to attend**	**Nomination & Remuneration Committee meetings eligible to attend**
Z Bull	-	-
L V Druitt	4	4
I A Jamieson	-	-
S Kouris	-	-
G C Macpherson	-	-
A B Mosman	-	-
R D Newberry	-	-
A R Pierce	4	4
A B C Stephen	4	4

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

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

A B C Stephen
Director

Sydney
14 October 2010

FINANCIAL REPORT

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Guide Dogs NSW/ACT:

As lead auditor for the audit of Guide Dogs NSW/ACT for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

M D Muller
Partner

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Sydney
14 October 2010

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDIT 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 Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of changes in Accumulated Funds and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the company and the Guide Dogs NSW/ACT Group ("the consolidated entity") as set out on pages 9 to 33. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(a) Basis of Preparation, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the consolidated financial statements comply with International Financial Reporting Standards.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

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INDEPENDENT AUDIT REPORT (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Guide Dogs NSW/ACT on 14 October 2010, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Guide Dogs NSW/ACT is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial statements also complies with International Financial Reporting Standards as disclosed in Note 1(a) Basis of Preparation.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Sydney
20 October 2010

M D Muller
Partner

FINANCIAL REPORT

PRINCIPAL OFFICER DECLARATION

CHARITABLE FUNDRAISING ACT 1991

I, Graeme White, Chief Executive 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 entities. 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 of 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 entities are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

G White
Chief Executive

14 October 2010

FINANCIAL REPORT

DIRECTORS' DECLARATION

1. In the directors' opinion:
   (a) the financial statements and notes set out on pages 10 to 33 are in accordance with the Corporations Act 2001, including
      (i) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001;
      (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 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 its debts as and when they become due and payable.
2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

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

A B C Stephen
Director

Sydney
14 October 2010

FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Notes	CONSOLIDATED 2010 $	2009 $
Revenue from ordinary activities	4(a)	22,642,771	22,194,973
Net gains/(losses) on non-current assets held at fair value through profit & loss	4(b)	1,925,244	(4,190,329)
Net gain on disposal of investments	4(b)	319,550	-
Client service costs (Guide Dogs & CFEH)		(12,518,464)	(9,621,616)
Telephone marketing costs (incl. COGS)		(2,281,390)	(2,414,318)
Community information		(2,502,983)	(1,885,162)
Governance and administrative services		(2,962,892)	(2,262,190)
Indirect fundraising overheads including:			
- Data processing and management		(558,684)	(899,406)
- Planned giving indirect expenditure		(891,820)	(726,601)
- Appeal costs		(1,507,016)	(997,225)
Other expenses from ordinary activities		(210,963)	(125,630)
Net Surplus/(Deficit) from ordinary activities		**1,453,353**	**(927,504)**
Other comprehensive income			
Memorial fund reserve		145,000	-
Total comprehensive income		**1,598,353**	**(927,504)**

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

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Notes	CONSOLIDATED 2010 $	2009 $
Current Assets			
Cash and cash equivalents		1,833,432	1,655,392
Trade and other receivables	5	662,132	804,501
Inventories	7	819,789	701,350
Interest bearing receivables	6	3,298,000	4,520,000
Held-to-maturity investments	8	7,000,000	5,000,000
Other	9	172,309	250,459
Total Current Assets		**13,785,662**	**12,931,702**
Non-Current Assets			
Interest bearing receivables	10	780,000	3,828,000
Financial assets designated at fair value through profit or loss	11	26,776,457	24,185,768
Property, plant and equipment	12	18,007,423	16,214,702
Intangibles – establishment costs	13	37,511	32,100
Total Non-Current Assets		**45,601,391**	**44,260,570**
Total Assets		**59,387,053**	**57,192,272**
Current Liabilities			
Trade and other payables	14	1,722,200	1,206,909
Employee benefits	15	1,523,469	1,492,144
Total Current Liabilities		**3,245,669**	**2,699,053**
Non-Current Liabilities			
Employee benefits	15	272,907	223,095
Total Non-Current Liabilities		**272,907**	**223,095**
Total Liabilities		3,518,576	2,922,148
Net Assets		**55,868,477**	**54,270,124**
Accumulated Funds			
Reserves	16	1,274,826	1,129,826
Accumulated surplus	17	54,593,651	53,140,298
Total Accumulated Funds		**55,868,477**	**54,270,124**

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

STATEMENT OF CHANGES IN ACCUMLATED FUNDS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED		
	Accumulated Surplus $	Reserves $	Total Accumulated Funds $
At 30 June 2008	**54,067,802**	**1,129,826**	**55,197,628**
Total comprehensive income	(927,504)	-	(927,504)
At 30 June 2009	**53,140,298**	**1,129,826**	**54,270,124**
Total comprehensive income	1,453,353	145,000	1,598,353
At 30 June 2010	**54,593,651**	**1,274,826**	**55,868,477**

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

FINANCIAL REPORT

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	CONSOLIDATED 2010 $	2009 $
Cash Flows from Operating Activities		
Receipts from:		
Bequests	12,528,635	12,364,339
Telephone marketing/merchandising sales	2,376,311	2,554,092
Subscriptions, donations and other income	5,775,541	5,355,055
Interest received	873,269	987,850
Franking credits refunded	225,348	195,385
Rent received	360	360
Payments to suppliers and employees	(20,895,542)	(17,183,681)
Net cash provided by operating activities	**883,922**	**4,273,400**
Cash Flows from Investing Activities		
Payments for property, plant and equipment – Guide Dogs NSW/ACT	(1,373,131)	(1,694,354)
Payments for property, plant and equipment – Centre for Eye Health	(2,836,382)	(2,752,499)
Proceeds from sale of property, plant and equipment – Guide Dogs NSW/ACT	633,631	534,886
Mortgages discharged	4,270,000	40,000
Payments for investments & loans	(2,000,000)	(600,000)
Proceeds from sale of investments & loans	600,000	12,150
Net cash used in investing activities	**(705,882)**	**(4,459,817)**
Net increase/(decrease)in cash held	178,040	(186,417)
Cash and cash equivalents at the beginning of the financial year	1,655,392	1,841,809
Cash and cash equivalents at the end of the financial year	**1,833,432**	**1,655,392**

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

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 include the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Accounting Interpretations), and the Corporations Act 2001.

Compliance with IFRS
The consolidated financial statements of Guide Dogs NSW/ACT also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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.

Financial statement presentation
The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in accumulated funds.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Guide Dogs NSW/ACT ("company" or "parent entity") as at 30 June 2010 and the results of all subsidiaries for the year then ended. Guide Dogs NSW/ACT and its subsidiaries 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 (including special purpose 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less any impairment in the individual financial statements of Guide Dogs NSW/ACT.

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 twelve auxiliaries/support groups. 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 18). Payments made under operating leases (net of any incentives received from lessor) are charged to the income statement 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.

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.

Guide Dogs
Pups are carried at cost of acquisition. Guide Dogs in training are carried at cost plus applicable training and kennelling costs incurred. The carrying values of Guide Dogs are expensed when they are issued to clients or removed from the program.

(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 Income Statement during the reporting period in which they are incurred.

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
Motor Vehicles	7-10 years
Office Furniture and Equipment	2-7 years
Centre for Eye Health leasehold improvements/equipment	4 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 income statement. 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, as discussed in Note 2 of the financial statements.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(l) Investments 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 interest bearing receivables in the Statement of Financial Position (notes 6 and 10).

(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 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.

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 settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(o) 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 155 financial members, 27 honorary members and 39 auxiliary members.

(p) 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.

(q) New accounting standard and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The group has assessed the impact of these new standards and interpretations and concluded that none of the upcoming changes will have a significant impact on the presentation and disclosure of the financial statements.

(i) AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139] (effective from 1 July 2010)

In May 2009 the AASB issued a number of improvements to AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB 8 Operating Segments, AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 117 Leases, AASB 118 Revenue, AASB 136 Impairment of Assets and AASB 139 Financial Instruments: Recognition and Measurement. The Group will apply the revised Standards from 1 July 2010. The group does not expect that any adjustments will be necessary as a result of applying the revised rules.

(ii) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013. The current four categories of financial assets, stipulated in AASB 139 Financial Instruments: Recognition and Measurement, will be replaced with two measurement categories: fair value and amortised cost. AASB 9 only permits the recognition of fair value gains/(losses) in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains/(losses) on debt investments, for example, will therefore have to be recognised directly in profit or loss. The group does not expect any significant impact on the group's financial statements arising from an adoption of the Standard.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(q) New accounting standard and interpretations (continued)

(iii) AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective from 1 July 2010/1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Group will apply the amendments from 1 July 2010. It does not expect that any adjustments will be necessary as the result of applying the revised rules.

(r) Intangibles

This amount represents costs incurred which have future economic value to the Group. They relate to legal and set up costs for Centre for Eye Health Limited. They will be amortised evenly over the expected life of the Centre.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The overall risk management strategy focuses on using a diversified portfolio of assets (including cash, equities, managed funds and mortgages) to balance risk and return. The target allocation of various asset classes as a percentage of the whole portfolio has been determined by the Board, is reviewed on a monthly basis and adjusted as appropriate.

The Board holds a long term view of investing. The Board has developed an investment policy and strategy with an appropriate risk management framework with the objective of preserving the asset base of the organisation in real terms over the longer term whilst earning a reasonable rate of return on those assets. The Board does not profess to be an 'expert investor' and hence utilises the services of professional asset managers to monitor and control a large proportion of the invested assets. Direct equity holdings are not actively sought but arise from bequest distributions. Typically these direct equity holdings are liquidated and re-invested in other asset classes after taking into account market volatilities.

The Board keeps informed of market risk through monthly meetings which include reports showing 'mark to market' comparisons.

During 2009 the Board decided to progressively exit the private mortgage market so as to reduce the concentration of credit risk. Otherwise there are no changes in the strategies used to manage financial risks from the previous period.

(a) Market risk

Market risk is the risk that the fair value of future cashflows of financial instruments will fluctuate due to changes in market variables such as equity prices or interest rates. Market risk is managed and monitored by ensuring investment activity is consistent with agreed investment philosophy, strategy and asset allocation.

(i) Price risk

The Group is exposed to equity securities price risk both on direct equity holdings and managed funds. The investments are classified on the Statement of Financial Position as at fair value through profit and loss. All investments present a risk of loss of capital. Analysis indicates that the impact of changes in equity prices is comparable to overall movements in the common Australian indices such as the All Ordinaries index and ASX200. The sensitivity effect of such movements is summarised below.

(ii) Interest rate risk

As the Group's portfolio includes interest bearing assets in the form of cash deposits and secured loans, the Group's income flows are subject to changes in market interest rates. However as mortgages have been typically fixed for up to 3 years with various amounts and maturity dates the dollar impact of fluctuations in rates is difficult to quantify. Hence the following sensitivity analysis is indicative only.

2. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis for Market Risk
(Impact on operating surplus)

Consolidated **Asset**	**Value**	**Price risk**		**Interest rate risk**	
		-10% $	+ 10% $	-1.0% $	+ 1.0% $
Term deposits	7,000,000	-	-	(70,000)	70,000
Secured loans (Current & NC)	4,078,000	-	-	(40,780)	40,780
Shares at fair value	65,775	(6,577)	6,577	-	-
Units in managed funds	26,710,682	(2,671,068)	2,671,068	-	-
30 June 2010	**37,854,457**	**(2,677,645)**	**2,677,645**	**(110,780)**	**110,780**
Term deposits	5,000,000	-	-	(50,000)	50,000
Secured loans (Current & NC)	8,348,000	-	-	(83,480)	83,480
Shares at fair value	1,204,845	(120,485)	120,485	-	-
Units in managed funds	22,380,923	(2,238,092)	2,238,092	-	-
30 June 2009	**36,933,768**	**(2,358,577)**	**2,358,577**	**(133,480)**	**133,480**

(b) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the company. The Group has adopted a policy of dealing only with creditworthy counterparts as a means of mitigating the risk of financial losses from defaults. The Group measures credit risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the group's maximum exposure to credit risk.

Credit risk is reduced by only investing term deposits with financial institutions with a Standard & Poors credit rating of 'A' or better.

The credit risk associated with Interest bearing receivables (Mortgages) is managed as follows:
- all loans are secured by a 1st mortgage over real property;
- all property is independently valued at loan drawdown and at each loan extension;
- the amount lent is kept to approximately two thirds of the property value as per the independent valuation; and
- all borrowers are vetted by an independent mortgage broker with preference given to high net worth individuals or professionals.

In addition all loans are fixed for terms up to 3 years and are interest only. Interest is invoiced monthly or quarterly. Penalty interest is applied for late payment.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close the market position. The Board aims to ensure sufficient cash is on hand to pay debts as and when they become payable. Future cash flows are by nature uncertain hence the need to balance at call and short term cash deposits with longer term investment strategies.

2. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value estimation

All financial assets and liabilities included in the Statement of Financial Position are carried at fair value. Subsequent to initial recognition all investments held at fair value through profit and loss are measured at fair value with changes in their value recognised in the Statement of Comprehensive Income. The Board believes that this provides the most transparent disclosure of the Group's results and financial position at any point in time. This approach is also consistently applied in monthly management accounts.

(e) Fair Value Hierarchy

The group has adopted the amendments to AASB 7, effective 1 January 2009. This requires the Group to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The determination of what constitutes ''observable" requires significant judgement by management. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the group's financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

Consolidated - as at 30 June 2010	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets designated at fair value through profit or loss at inception:				
- shares in listed companies	65,775	-	-	65,775
- units in unlisted managed funds	-	26,710,682	-	26,710,682
Unlisted unit trusts	-	-	-	-
Total	**65,775**	**26,710,682**	-	**26,776,457**

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include, investments in unlisted unit trusts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non transferability, which are generally based on available market information.

3. CRITICAL ACCOUNTING 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.

	2010 $	2009 $
4. PROFIT FROM ORDINARY ACTIVITIES		
(a) From continuing operations		
Operating Revenue		
Bequests	12,758,869	12,385,736
Donations	5,750,642	5,294,741
Sale of goods	2,343,313	2,521,389
Rendering of service	16,475	56,246
Other revenue		
Interest	810,282	1,043,106
Distributions/Dividends including franking credits	954,406	889,327
Rental	360	360
Other	8,424	4,068
	22,642,771	**22,194,973**
(b) Other income		
Fair value gains (losses) on other financial assets at fair value through profit or loss	1,925,244	(4,190,329)
Net gain on disposal of investments	319,550	-
Net gain on disposal non current assets	93,844	-
(c) Expenses		
Surplus is calculated after deduction of the following specific expenses:		
Depreciation – property, plant and equipment	1,895,964	852,541
Amortisation of Establishment costs	12,504	-
Rental expense relating to operating lease	269,175	261,220
Provision for impairment of receivables	(1,786)	(31,478)
Inventory write-downs/(write-ups)	5,852	2,312
Net loss on disposal non-current assets	79,348	123,318
Change in value of Guide Dogs on hand	(103,430)	39,250

	2010 $	2009 $
5. CURRENT – TRADE AND OTHER RECEIVABLES		
Trade receivables	291,587	324,585
Provision for impairment of receivables	(3,161)	(4,947)
	288,426	**319,638**
Goods and services tax (GST) recoverable	64,444	112,614
Other	309,262	372,249
	662,132	**804,501**

None of the trade receivables are impaired or past due but not impaired for the consolidated and the entity. Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. Refer to Note 2 for more information on the risk management policy of the group and the credit quality of the consolidated entity's trade receivables.

	2010 $	2009 $
6. CURRENT – INTEREST BEARING RECEIVABLES		
Secured loans	3,298,000	4,520,000

(i) Loans are secured by registered first mortgage on residential and commercial premises.

(ii) Impairment and risk exposure

The maximum exposure credit risk at the reporting date is the carrying amount of the receivables.

One of the loans for $1,550,000 was due for repayment on 27 June 2010. Negotiations are ongoing for its repayment. Recent property valuations indicate adequate security cover and hence no impairment has been made.

	2010 $	2009 $
7. CURRENT – INVENTORIES		
Guide Dogs – work in progress	729,122	625,692
Finished goods – at cost	90,667	75,658
	819,789	701,350
8. CURRENT–HELD-TO-MATURITY INVESTMENTS		
Term deposits	7,000,000	5,000,000

The Group's risk exposure for term deposits is discussed in Note 2.

	2010 $	2009 $
9. OTHER CURRENT ASSETS		
Prepayments	172,309	250,459

	2010 $	2009 $
10. NON-CURRENT - INTEREST BEARING RECEIVABLES		
Secured loans	780,000	3,828,000
	780,000	**3,828,000**

(i) Loans are secured by registered first mortgage on residential and commercial premises.

(ii) Impairment and risk exposure

The maximum exposure credit risk at the reporting date is the carrying amount of the receivables.

None of the receivables are either past due or impaired. There is no exposure to the risks as the investment will be held to maturity.

	2010 $	2009 $
11. NON-CURRENT - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS		
At fair value:		
Shares in listed companies	65,775	1,204,845
Units in managed funds	26,710,682	22,380,923
Secured loan – interest free	-	600,000
	26,776,457	**24,185,768**

Changes in fair value through profit or loss are recorded in the Statement of Comprehensive Income. Information about the consolidated entity's exposure to price risk is provided in Note 2.

12.PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Buildings $	CFEH Leasehold buildings $	Motor Vehicles $	Diagnostic Equipment $	Furniture & Equipment $	Total $
Year ended 30 June 2010						
At 1 July 2009, net of accumulated depreciation	10,675,014	2,522,180	1,985,132	178,849	853,527	16,214,702
Additions	56,547	113,635	1,006,272	2,124,205	1,075,491	4,376,150
Transfers	-	-	-	-	-	-
Disposals	-	-	(629,411)	(1,153)	(5,880)	(636,444)
Disposal adjustment	-	-	(35,397)	-	(15,624)	(51,021)
Depreciation charge for the year	(230,308)	(638,296)	(394,510)	(174,388)	(458,462)	(1,895,964)
At 30 June 2010, net of accumulated depreciation	**10,501,253**	**1,997,519**	**1,932,086**	**2,127,513**	**1,449,052**	**18,007,423**
At 1 July 2009						
Cost	12,427,145	2,522,180	2,548,082	178,849	3,260,997	20,937,253
Accumulated depreciation and impairment	(1,752,131)	-	(562,950)	-	(2,407,470)	(4,722,551)
Net carrying amount	**10,675,014**	**2,522,180**	**1,985,132**	**178,849**	**853,527**	**16,214,702**
At 30 June 2010						
Cost	12,483,693	2,635,815	2,524,895	2,301,900	4,277,507	24,223,810
Accumulated depreciation and impairment	(1,982,440)	(638,296)	(592,809)	(174,387)	(2,828,455)	(6,216,387)
Net carrying amount	**10,501,253**	**1,997,519**	**1,932,086**	**2,127,513**	**1,449,052**	**18,007,423**

	2010 $	2009 $
13.INTANGIBLES		
Establishment costs for CFEH	37,511	32,100

This represents legal fees incurred in the incorporation and registration of Centre for Eye Health Limited including: business registrations with ASIC, tax and deductible gift recipient status registrations with the Australian Taxation Office, and Charity registration with NSW Dept of Liquor, Gaming & Racing. These costs are amortised in accordance with Note 1(r).

	2010 $	2009 $
14.CURRENT – TRADE AND OTHER PAYABLES		
Trade payables	1,549,346	1,049,316
Other payables	58,353	50,524
Accruals	114,501	107,069
	1,722,200	**1,206,909**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
15.EMPLOYEE BENEFITS		
Current	1,523,469	1,492,144
Non-current	272,907	223,095
16.RESERVES		
R.M. Moffitt Memorial Fund		
Balance at beginning of financial year	416,830	416,830
Movements	-	-
Balance at end of financial year	416,830	416,830
Robert and Elsie Burton Fund		
Balance at beginning of financial year	712,996	712,996
Movements	-	-
Balance at end of financial year	712,996	712,996
Netta and Alan Walker Fund		
Balance at beginning of financial year	-	
Movements	145,000	-
Balance at end of financial year	145,000	-
Balance at end of financial year	**1,274,826**	**1,129,826**
These reserves relate to donated funds received and invested by Guide Dogs NSW/ACT.		
17.ACCUMULATED SURPLUS		
Balance at beginning of financial year	53,140,298	54,067,802
Transfer from surplus	145,000	-
Transfer to reserves	(145,000)	-
Net surplus/(deficit)	1,453,353	(927,504)
Balance at end of financial year	**54,593,651**	**53,140,298**
18.LEASES		
Operating leases - Leasing arrangements		
The operating leases relate to a number of office premises with lease terms expiring from 30 September 2010 to 8 July 2013. One contract has an option for renewal of three by one year options. CFEH has an option for 3 four year extensions. The other contracts have no options for renewal.		
Non-cancellable operating leases		
Within 1 year	438,366	211,171
Later than 1 year but not later than 5 years	667,228	84,882
	1,105,594	**296,053**

	2010 $	2009 $
19. COMMITMENTS FOR EXPENDITURE		
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	293,958	3,705,947
Less: GST	(26,723)	(336,904)
	267,235	**3,369,043**
20. REMUNERATION OF AUDITORS		
HLB Mann Judd		
Auditing the financial report	73,500	66,000
Other services	-	-
	73,500	**66,000**

21. RELATED PARTY DISCLOSURES

(a) Directors

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

Z Bull (appointed 21 June 2010)
L V Druitt
I A Jamieson
S Kouris (appointed 3 May 2010)
G C Macpherson (resigned 29 March 2010)
A B Mosman
R D Newberry
A R Pierce
A B C Stephen

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:

J Black
E Cooper
J P Finucane
A Green
R Harrison
C Harvey
A Roberts
N Shaw
L Smith
C Ulm
G White

(c) Key management personnel compensation

	Short term benefits $	Post employment $	Other long term benefits $	Total $
2010	1,420,844	109,272	7,189	1,537,305
2009	1,257,838	122,237	7,837	1,387,912

(d) Other transactions with directors

During the financial year payments were made to a veterinary hospital in which a director had an interest. Amounts of $636 (2009: $3,029) were paid to a hospital in which A.B Mosman had an interest.

21. RELATED PARTY DISCLOSURES (continued)

(e) Transactions with controlled entities

	2010 $	2009 $
Contributions paid to CFEH	2,895,023	210,624
(f) Loan to related entity		
CFEH	2,615,524	2,752,49

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

22. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	2010 $	2009 $
Cash and cash equivalents	**1,833,432**	**1,655,392**
(b) Reconciliation of surplus from ordinary activities to net cash flow from operating activities:		
Operating Surplus/(Deficit)	**1,453,353**	**(927,504)**
Depreciation of non-current assets	1,895,964	852,541
Amortisation of establishment costs	12,504	
Bad debt expense	19,829	23,135
Fair value adjustment to non current investments	(1,925,244)	4,190,329
Loss/(profit) on sale of non-current assets	79,348	123,318
Other income not in cash	(90,523)	(23,136)
Bequests and donations not in the form of cash	(230,234)	(21,397)
Loss/(profit) on sale of investments	(319,550)	-
Distributions from managed funds reinvested	(710,033)	(599,074)
Changes in net assets and liabilities:		
(Increase)/decrease in assets		
Current receivables	94,199	(30,995)
Current inventories	(118,439)	74,267
Current other assets	126,320	(146,444)
Increase/(decrease) in liabilities:		
Current payables	515,291	502,813
Provisions	81,137	255,547
Net Cash from Operating Activities	**883,922**	**4,273,400**

23. 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.

	2010 $	2009 $
24. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (in relation to Guide Dogs NSW/ACT only)		
Details of aggregate gross income and expenditure of fundraising.		
Fundraising		
Gross proceeds	18,509,511	17,680,477
Expenditure – donations/bequests	1,738,327	997,225
Net surplus from fundraising	**16,771,184**	**16,683,252**
Direct Marketing		
Gross proceeds	2,343,313	2,521,389
Expenditure	2,281,390	2,414,318
Net surplus from direct marketing	**61,923**	**107,071**
Net surplus from all activities	**16,833,107**	**16,790,323**
Charitable purpose expenditure		
Client O&M service costs	**10,548,104**	**9,621,616**
Community information	2,336,228	1,885,162
Governance and administrative services	2,204,984	2,051,566
Indirect fundraising (incl. management, data processing and collection box maintenance)	558,684	899,406
Planned giving indirect expenditure	891,820	726,601
Centre for Eye Health expenses grant	2,895,023	210,624
Total charitable purpose expenditure	**19,434,843**	**15,394,975**
Surplus / (Deficit) in funds available from all activities	**(2,601,736)**	**1,395,348**

	2010 $	2009 $
24. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (continued)		
Additional funds from the following sources		
Interest received	810,282	1,043,106
Distributions received (managed funds)	710,033	599,074
Dividends received (including franking credits)	244,373	290,253
Membership subscription	1,450	1,600
Rent received	360	360
Income other	2,830	109
Bad debts recovered	4,144	2,359
Net gain/(loss) on sale of property, plant & equipment	93,844	-
Net gain/(loss) on sale of investments	319,550	-
Write up/(down) of investments	1,925,244	(4,190,329)
Fair value adjustment of intercompany loan receivable	522,099	(2,554,280)
Net (loss) on sale of property, plant and equipment	(79,348)	(123,318)
Fee for services rendered	16,475	56,246
Write up of inventories	5,852	(2,312)
Total Additional Funds/(costs) net	**4,577,188**	**(4,877,132)**
Surplus/(Deficit) From Ordinary Activities	**1,975,452**	**(3,481,784)**

	2010 $	2010 %	2009 $	2009 %
Total cost of fundraising/ Gross income from fundraising	1,738,327 18,509,511	9.4	997,225 17,680,477	5.6
Total costs of direct marketing/ Gross income from direct marketing	2,281,390 2,343,313	97.4	2,414,318 2,521,389	95.8
Net surplus from all fund raising activities/ Gross income from all activities	16,833,107 20,852,824	80.7	16,790,323 20,201,866	83.1
Total cost of services/ Total expenditure	13,443,127 19,434,843	64.4	9,832,240 15,394,975	63.9
Total cost of services/ Gross income from all activities	13,443,127 20,852,824	60.0	9,832,240 20,201,866	48.7

25.AUXILIARIES AND SUPPORT GROUPS

During the year the following auxiliaries/support groups contributed $68,454 (2009: $57,827) to Guide Dogs NSW/ACT.

Canterbury-Bankstown	Coffs Harbour	Moree	Wagga Wagga
Central Coast	Dubbo	Mudgee	
City Committee	Menai	Tamworth	

26. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in note 1(b). The financial years of the controlled entities are the same as that of the parent.

Name of entity	Country of incorporation	Percentage Holding*
Centre for Eye Health Limited (CFEH)	Australia	100%
Australian Centre for Eye Health Limited (previously Sight Enhancement Services (ACT) Limited)	Australia	100%

* Both companies limited by guarantee with Guide Dogs NSW/ACT as the sole member.

27. 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.

	2010 $	2009 $
Current assets	13,773,165	12,924,725
Total assets	57,339,526	54,625,646
Current liabilities	3,230,669	2,687,053
Total liabilities	3,503,576	2,910,148
Shareholders equity		
Reserves	1,274,826	1,129,826
Retained earnings	52,561,124	50,585,672
	53,835,950	51,715,498
Net surplus/(deficit)	1,975,452	(3,481,784)
Other comprehensive income	145,000	-
Total comprehensive income	2,120,452	(3,481,784)
Parent Guarantees of Subsidiaries	**Nil**	**Nil**
Parent Contingent Liabilities	**Nil**	**Nil**
Parent Contractual Commitments for Acquisition of Property, Plant & Equipment	**292,990**	**222,723**

Guide Dogs NSW/ACT has provided a letter of support to CFEH to ensure it is a going concern.

28. SUBSEQUENT EVENTS

CFEH has signed a Memorandum of Understanding with the South East Sydney & Illawarra Area Health Service (SESIAHS) to facilitate the provision of consulting service from SESIAHS to CFEH. In addition CFEH has undertaken to lend a variety of capital equipment to SESIAHS. The exact terms including commencement date of these undertakings is still under negotiation.