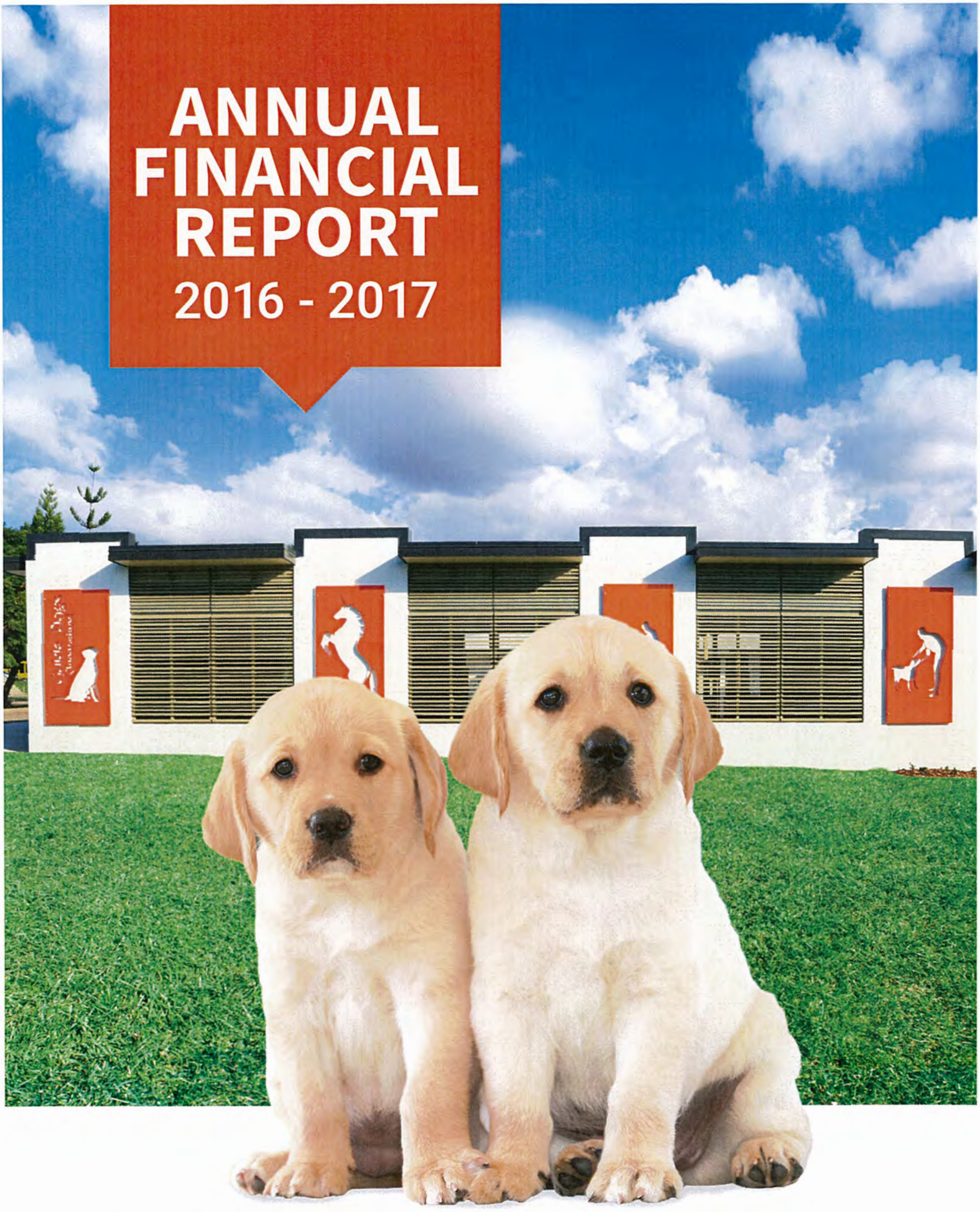
ANNUAL FINANCIAL REPORT

2016 - 2017



Guide Dogs
QUEENSLAND

ABN 89 009 739 664

GUIDE DOGS FOR THE BLIND ASSOCIATION OF QUEENSLAND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

CONTENTS

Director's Report

Your Directors present this report on the financial year ended 30 June 2017.

Directors

The names of each person who has been a Director at any time during the year ended 30 June 2017 and to the date of this report are:

Mr R A Anderson, OAM	President
Ms L M Muller	Vice President
Ms L Reynolds	Company Secretary
Dr J Vance, OAM	
Dr M E Loane, AM	
Mr A Ali	
Mr R J Saunders	
Mr D Jackson	(from 25 August 2016)
Mr M Kightley	(to 3 May 2017)

Directors have been in office since the start of the financial year to the date of this report unless stated.

Principal Activities

Guide Dogs for the Blind Association of Queensland "the Association' is incorporated as a company limited by guarantee. The principal activity during the financial year was to provide mobility services to people in Queensland who are blind or vision impaired. The Association's tax exempt income and property is applied solely to these activities which are limited only to the extent that the Association is able to raise income and acquire property through its fundraising programmes. No significant changes in the nature of the Association's activities occurred during the financial year.

Operating Results

The net surplus for the year was $3.5 million (2016: $1.3 million) which included $1.1 million movement in value of inventory of guide dogs and $2 million gain on financial assets at fair value through profit or loss. The Breeding Centre building refurbishment (completed May 2017), added to our asset base by $1.4 million.

Review of Operations

Guide Dogs for the Blind Association of Queensland is proud to be a trusted provider of training and mobility options for people who are blind and vision impaired. Our range of services aim to empower and promote independence through mobility and improve daily living. We support clients who wish to remain in their homes and create the opportunity for wellness and connection by providing the skills and tools needed to make the most of their lives.

Our strength relies on our community of support, prevalent to our clients and staff through the generosity of Queenslanders who donate and those that volunteer their time. It is only through this support that we can fulfil our purpose to assist clients to achieve their optimal level of mobility and independence in our community. We are forever grateful to the thousands of people that choose to generously support Guide Dogs for the Blind Association of Queensland every year as one of their charities of choice.

Fundraising presents its challenges as giving patterns change and the nature of bequests are unpredictable. However our people worked hard to engage supporters. Ongoing programs like workplace giving and Puppy Club continue to produce steady growth, while our collection dog program remains a star performer for the organisation, with over 9,000 host businesses across Queensland providing opportunity for people across the state to regularly show their support.

Much of the focus of the past year has been in the review and investment in our business systems and processes in preparation for the roll-out of the National Disability Insurance Scheme (NDIS) across Queensland, which is now underway. This has included the implementation of an Enterprise Resource Planning (ERP) solution, development work to our customer database, document management information systems and structural changes to enable both growth and an ability to cope with challenges related to the NDIS. With these system enhancements underway or completed, the organisation is now in a much better position to take advantage of whatever funding support is available through the NDIS to support our clients, in addition to the vital philanthropic support from our donors.

While the NDIS is often touted in the media as an answer for many charitable organisations to ongoing viability, for Guide Dogs for the Blind Association of Queensland, this is not the case. We are experiencing and expect to continue experiencing only modest support from the program, given that a majority of our clients fall outside the reaches of the program due to being aged over 65. While we look to the reforms underway in the aged care system over coming years to provide more of an answer on funding support for those aged over 65, we remain highly reliant on the community's support to maintain the level of services we provide to Queenslanders.

Throughout the year, our old breeding centre was entirely refurbished and expanded to feature two new exercise yards for puppy play and development, a new multi-purpose area for training, and a veterinary consult room to keep our pups happy and healthy. This long awaited redevelopment signifies a major milestone for our community, and will help to ensure our young pups have every chance at success as working Guide Dogs in the future. This project was possible by an individual bequest.

Finally we thank the community for the unwavering commitment to support those that are blind and vision impaired. Special thanks to our staff, volunteers, sponsors, donors, bequests, corporate partners, trusts and foundations, government and our Board, all your contributions are valued and appreciated.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Association that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Association, the results of the operations or the state of affairs of the Association in financial years subsequent to 30 June 2017.

Indemnity and Insurance of Officers

The Association has indemnified the directors and executives for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Association paid a premium in respect of a contract to insure the directors and executives of the Association. The contract of insurance specifies that we are unable to disclosure the nature of the liabilities covered by the policy and the amount of the premium.

Information on Directors

A summary of qualifications, experience, special responsibilities and attendance at meetings for each of the Association's Directors during the year is set out on pages 4 - 6.

Signed for and on behalf of the Board in accordance with a resolution of Directors.

R Anderson

Director

Dated this 5th day of October in Brisbane 2017.

Richard Anderson OAM, President

BCom FCA FCPA

Mr Richard Anderson OAM joined the Board of Guide Dogs for the Blind Association of Queensland in August 1980 and has served as President since 1990. He is also a member of the Board's Investment and Finance Sub-Committees. Mr Anderson is Chairman of the Board of Data #3 Limited and a member of the Boards of Lindsay Australia Limited and Namoi Cotton Cooperative Limited. Formerly a partner of PricewaterhouseCoopers (PWC), Mr Anderson was the firm's Managing Partner in Queensland and a member of the firm's National Committee. He has also been a member of the Board of Trustees of Brisbane Grammar School and the Capital Markets Board of Queensland Treasury Corporation, President of the Brisbane Polo Club and President of CPA Australia in Queensland.

Meetings attended - 9/11

Leanne Muller, Vice President

BCom CA ASIA MAICD

Ms Leanne Muller was elected a Director in April 2005 and serves as Vice President. She also chairs the Audit, Risk & Compliance Committee of the Board. Leanne is a Chartered Accountant and experienced senior finance executive having held Chief Financial Officer (CFO) (or equivalent) roles within Energex Limited (1998 – 2006), Uniting Care Queensland (2006 – 2007) and RACQ Group (2008 - 2014). Leanne also worked for PricewaterhouseCoopers (in both Brisbane and Papua New Guinea) and with the Australian Securities Commission. Leanne holds a number of non-executive director positions with QInsure Limited (a subsidiary of QSuper), Data #3 Limited (ASX listed technology and services provider) and LGE Holdings Pty Limited, LGE Operations Pty Limited and Local Buy Pty Limited (commercial subsidiaries of the Local Government Association of Queensland).

Meetings attended - 10/11

Lynette Reynolds, Company Secretary

BCom LLB LLM

Ms Lynette Reynolds was appointed to the Board in November 2009 and serves as Honorary Secretary. Lynette has been a practicing solicitor for over 20 years and is a partner with law firm TressCox Lawyers. The firm is a longstanding supporter of Guide Dogs for the Blind Association of Queensland and is its honorary legal advisor. Lynette has an extensive property and business practice including in the health and child care industry.

Meetings attended - 10/11

Raymond Saunders, Director

Mr Ray Saunders was elected as a Director in July 2002. He served as Vice President of the Board until 30 March 2016, as well as Chairman of the Investment Committee. Prior to his retirement, Mr Saunders was General Manager Queensland with the Commonwealth Bank of Australia. Ray followed his career in the banking and finance industry spanning some 36 years. Mr Saunders has been very active in the business community and in community work in South Australia, New South Wales and Western Australia.

Meetings attended - 8/11

Dr John Vance OAM, Director
MBBS, PhD, FRACP

Dr John Vance OAM was elected as a Director in August 2008. Dr Vance was a Consultant Paediatrician who worked as Associate Professor in the Department of Paediatrics and Child Health at The University of Queensland and Mater Children's Hospital. He retired in 1996 due to a significant vision disability as a result of retinitis pigmentosa. He is a client of Guide Dogs for the Blind Association of Queensland and has trained with a White Cane, the UltraCane and subsequently a Guide Dog. He lectures Orientation and Mobility trainees and advocates for people who are vision impaired with Queensland Rail. He is Chairperson of Guide Dogs for the Blind Association of Queensland's Client Services Liaison Committee and is a member of the Volunteer Peer Support Program. Dr Vance is a passionate lawn bowler and has represented Queensland at the Australian Blind Bowls Championships for the last 15 years. He was awarded the OAM in January 2014 for services to the blind and those with low vision.

Meetings attended – 10/11

Dr Mark Loane AM, Director
MBBS (Qld) FRACO FRACS
Dr Mark Loane AM was elected to the Board of Guide Dogs Queensland in 1996. He has a private Ophthalmology practice at the Vision Eye Institute River City. In 1999 Dr Loane established and has since run the Cape York Eye Health Project. His delivery of eye care to indigenous communities was recognised in January 2011 when he was made a Member of the Order of Australia. Dr Loane is a former chairperson of the Queensland Branch of the Royal Australasian College of Ophthalmologists and is also on the National Royal Australian and New Zealand College of Ophthalmology Eye Foundation Board. Dr Loane was a fellow in Corneal Transplantation and External Eye Disease at Flinders Medical Centre, Adelaide, and a Fellow in Glaucoma at the University of California, San Diego. He was awarded an Honorary Doctorate of Philosophy by the Faculty of Medicine at the University of Queensland for his contribution to Guide Dogs for the Blind Association of Queensland, amongst his other medical and voluntary work. He is a former Rugby Union International.

Meetings attended - 9/11

Arif Ali, Director
BCom, CPA

Mr Arif Ali was appointed as a Director to the Board in July 2010. Arif is a Certified Practicing Accountant and has been involved with the packaging industry for the last 20 years and has travelled extensively through South America, USA, South Africa, Europe and SE Asia in his employment. He has been a life member of Guide Dogs for the Blind Association of Queensland for almost a decade and has actively participated in fundraising events. Arif is currently General Manager of Bemis Australasia and a Director of Bemis Brisbane Pty Ltd, Bemis Flexible Packaging Ltd, Micris Packaging Pty Ltd, Micris Investments Pty Ltd, Sailmoss Pty Ltd and Maania Pty Ltd.

Meetings attended – 8/11

Michael Kightley, Director
FAICD, BCom, BAccounting, NDP

Mr Michael Kightley was appointed as a Director to the Board in December 2012. Michael has more than 20 years experience as a company director both in Australia and internationally. Michael is an Associate Director of Amplifi Governance, and Director of Larok, a marketing and strategy consultancy. He recently spent five years as a Director of Australian Insurance Holdings and related companies (an APRA regulated national Financial Institution). Michael's previous roles include nine years at Deloitte with three years as Sales Director in Sydney; Managing Director of Williams Design, a large Sydney design and advertising agency; Managing Director of Kerfield Consulting, an investment and property finance company; and 12 years senior and general management experience with Standard Bank and Investec Bank. Michael is currently taking a leave of absence from the Board of Directors while he fills the role of CEO.

Meetings attended - 5/9

Drewe Jackson, Director
(from 25 August 2016)
BCom, MSc Finance, CFA

Mr Drewe Jackson was appointed to the Board in August 2016. Drewe has been involved in capital markets and investment for 25 years including more than 10 years as a portfolio manager in London with Cazenove Capital and Herald Investment Management. Drewe is currently a director of TicketMates Pty Ltd, Australia's largest online tour ticketing system and the Investment Manager for the RACQ Group. He sits on the advisory panel of the RACQ Foundation which assists community groups affected by natural disasters and is a member of the policy committee of the RACQ Superannuation Plan.

Meetings attended – 9/11

Corporate Governance

Guide Dogs for the Blind Association of Queensland is committed to excellence in corporate governance, transparency and accountability. This commitment is essential for the long term performance and sustainability of our organisation and to protect and enhance the interests of our stakeholders. Our corporate governance procedures are continually reviewed to ensure they meet the Australian Standards as stated in AS 8000-2003 Good Governance Principles.

During the year, there were 10 Board of Directors meetings and our Annual General Meeting – 11 in total.

Role of the Board of Directors

The Board of Directors currently hold scheduled meetings during the year and any extraordinary meetings at such other times as may be necessary to address any specific matters that may arise. The strategic direction is set by the Board which includes establishing policies that oversee Guide Dogs for the Blind Association of Queensland's financial position and the monitoring of business affairs and risk. The Board delegates responsibility for the day-to-day activities to the Chief Executive Officer. Financial and investment matters are discussed and reported on at each Board meeting.

Guide Dogs for the Blind Association of Queensland is committed to a process of continuous improvement. The objective of the Audit and Risk Committee is to assist the Board in discharging its oversight responsibilities and to review reports and make recommendations. This Committee work with management to develop a greater risk awareness and compliance culture within the organisation. Further, the Association has continued to grow its capital base over recent years and has a dedicated Investment Committee to provide guidance and oversight for our investment activities to ensure the long term sustainability of the organisation.

Board composition

The names of the Directors of Guide Dogs for the Blind Association of Queensland including qualifications and experience are set out on pages 4 - 6.

The composition of the Board of Directors draws on varied skills, experience, knowledge and education for the benefit of the Association and its stakeholders.

Conflict of interest

In the event of a potential conflict of interest, Directors involved are required to withdraw from all deliberations concerning the matter. They are not permitted to exercise any influence over the Board members or receive relevant Board papers. Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the company.

Internal controls

As Guide Dogs for the Blind Association of Queensland is a relatively small organisation, the emphasis is placed on the Brisbane Head Office (Bald Hills) for the responsibility of enforcing policies and procedures. Forecasts of activity are continually updated in line with current performance and objectives and reported to the Board on a regular basis or as requested.

Procedures have been established at Board and Executive Management levels to ensure that transparency, reliability and integrity of financial and operation information is adhered to. Policies and procedures are in place to ensure the Association's assets and interests are safeguarded.

Executive management are responsible for identifying and managing risk through regular reviews of activities, including level of authority on financial exposure, the Association's annual insurance program and a referral process to legal counsel on contractual matters. All Directors have the opportunity to seek their own independent advice on any matter concerning the Association.

Ethical standards and performance

All Directors, Managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of Guide Dogs for the Blind Association of Queensland.

Directors are mindful of their responsibility to the environment.

The Annual General Meeting is held during the year for Members. The Association's activities are presented at this meeting and Members are invited to question Directors and Senior Management.

Auditors

The Board has retained external auditors to audit the annual financial statements. The Board is responsible for reviewing the adequacy of these audit arrangements and the scope and quality of the audit.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $			2016 $		
		REVENUE	EXPENSES	NET	REVENUE	EXPENSES	NET
Fundraising	2	**8,572,533**	**4,502,632**	**4,069,901**	**11,932,172**	**4,501,719**	**7,430,453**
Services							
Client Services		1,052,245	2,616,895	(1,564,650)	1,051,462	2,438,840	(1,387,378)
Guide dog services & supply		125,817	2,095,976	(1,970,158)	122,945	4,752,259	(4,629,314)
		1,178,062	**4,712,871**	**(3,534,808)**	**1,174,407**	**7,191,099**	**(6,016,692)**
Other							
Dividends & interest		754,117	215,910	538,207	842,704	191,723	650,981
Other		425,112	-	425,112	427,965	-	427,965
Gain/ (Loss) on financial assets at fair value through profit or loss		2,036,529	-	2,036,529	-	1,101,516	(1,101,516)
Gain/ (Loss) on sale of non-current assets		-	14,491	(14,491)	-	109,365	(109,365)
		3,215,758	**230,401**	**2,985,357**	**1,270,669**	**1,402,604**	**(131,935)**
Surplus before income tax expense				3,520,450			1,281,826
Income tax expense	1			-			-
Surplus after income tax expense	2, 3			**3,520,450**			**1,281,826**
Total comprehensive income for the year				**3,520,450**			**1,281,826**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	NOTE	2017 $	2016 $
Current assets			
Cash on hand	5	4,745,067	3,666,160
Trade and other receivables	6	478,950	727,459
Inventories on hand	7	2,350,281	1,292,350
Investments	8	1,805,579	3,179,193
Total current assets		**9,379,878**	**8,865,162**
Non-current assets			
Property, plant and equipment	9	5,957,483	4,921,245
Intangible assets	10	159,447	274,981
Investments	8	13,007,337	11,048,436
Total non-current assets		**19,124,266**	**16,244,662**
Total assets		**28,504,145**	**25,109,824**
Current liabilities			
Accounts payable and other payables	11	510,647	405,106
Employee provisions	12	699,982	660,201
Other liabilities	13	211,392	432,947
Total current liabilities		**1,422,021**	**1,498,254**
Non-current liabilities			
Employee provisions	12	59,620	109,516
Total non-current liabilities		**59,620**	**109,516**
Total liabilities		**1,481,641**	**1,607,770**
Net assets		**27,022,504**	**23,502,054**
Equity			
Retained surplus		27,022,504	23,502,054
Total equity		**27,022,504**	**23,502,054**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	RETAINED SURPLUS $	TOTAL $
Balance at 30 June 2015	**22,220,228**	**22,220,228**
Comprehensive income		
Surplus for the year	1,281,826	1,281,826
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	1,281,826	1,281,826
Balance at 30 June 2016	**23,502,054**	**23,502,054**
Comprehensive income		
Surplus for the year	3,520,450	3,520,450
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	**3,520,450**	**3,520,450**
Balance at 30 June 2017	**27,022,504**	**27,022,504**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $
Cash flows from operating activities			
Receipts from contributors and grants		10,096,323	12,396,309
Payments to suppliers and employees		(10,336,145)	(11,126,642)
Dividends received		661,906	593,211
Interest received		153,676	196,731
Net cash inflows/(outflows) from operating activities		**575,760**	**2,059,609**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		94,722	67,807
Payments for property, plant and equipment and intangibles		(1,617,011)	(593,033)
Proceeds from sale of investment		1,811,911	1,830,249
Payments for investments		(1,160,089)	(3,860,843)
Net cash inflows/(outflows) from investing activities		**(870,467)**	**(2,555,820)**
Net increase (decrease) in cash held		(294,707)	(496,211)
Cash on hand at beginning of the financial year		6,845,353	7,341,564
Cash on hand at the end of the financial year	15(a)	**6,550,646**	**6,845,353**

This financial statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

ABOUT THIS REPORT

Corporate Information

The report covers Guide Dogs for the Blind Association of Queensland ("the Association") and the economic activities as an individual entity, of a company limited by guarantee and domiciled in Australia.

The Association is a non-profit and receives a principle part of its income from donations as cash or in kind.

The Association is a deductible gift recipient (DGR).

Organisation Details

The registered office of the Association is:

Guide Dogs for the Blind Association of Queensland
1978 Gympie Rd
Bald Hills Qld 4036

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 5th October 2017 by the directors of the Association.

Adoption of new and revised accounting standards

New and amended standards and interpretations that are mandatory for the first time for the financial year beginning 1 July 2016 have been adopted. The adoption of these standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

New accounting standards not yet effective

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2017. They have not been adopted in preparing the financial statements for the year ended 30 June 2017 and may impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated below.

AASB 15 Revenue

The new revenue recognition standard, AASB 15 Revenue from Contracts with Customers is a result of a joint project of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB).

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.

The Association is still determining the effect on the financial statements on implementation of the Standard (effective 1 July 2019).

AASB 1058 Income for Not-for-Profit (NFP) Entities

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFPs to further its objectives, and
- The receipt of volunteer services.

AASB 1058 supersedes all current income recognition requirements for private sector NFPs, and most of the requirements for public sector NFPs currently contained in AASB 1004 Contributions.

The Association is still determining the effect on the financial statements on implementation of the Standard (effective 1 July 2019).

AASB 16 Leases

Except for short-term leases (less than 12 months from commencement date, including extension options), and 'low value' items, all leases will be capitalised in the financial statements by recognising a 'right-of-use' asset and a lease liability for the present value of the obligation. This means that we will no longer see straight-line 'rental' expense in profit or loss (except for short-term leases and low value items).

All leases will incur a frontend loaded expense, comprising depreciation on the right-of-use asset, and interest on the lease liability. When initially measuring the right-of-use asset and lease liability, non-cancellable lease payments (including inflation-linked payments), as well as payments for option periods which the entity is reasonably certain to exercise, must be included in the present value calculation.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis. No changes to accounting for entities as a lessor, as it retains the accounting for operating and finance leases for lessors.

The transition provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, changes in accounting estimates and errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Association is still determining the effect on the financial statements on implementation of the Standard (effective 1 July 2019).

Income tax

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

Comparative figures

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

Critical accounting estimates and judgments

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

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to assumptions about future usage and obsolescence.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

The Association classifies its investments according to 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. The classification of investments is assessed at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated at each reporting date.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

(i) Financial assets at fair value through profit or loss

All investments held in equity instruments are classified as fair value through profit or loss. All unrealised gains or losses arising from change in fair value are recognised in profit or loss. On sale, the difference between the fair value booked and the proceeds from sale are recognised in profit or loss. All the movements between cost and fair value are passed through profit or loss, no impairment is required.

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Held to maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. If the Association were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity investments are classified as current assets.

At 30 June 2017 all investments were classified as fair value through profit or loss and included as non-current assets.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE

Revenue and Other Income

	2017 $	2016 $
Revenue		
Fundraising		
Donations from corporate & community	2,855,942	3,445,765
Bequests	3,544,737	5,769,402
Art union / telemarketing	1,531,900	2,182,800
Donations from appeals	639,954	534,205
	8,572,533	11,932,172
Client services	1,052,245	1,051,462
Guide dog services & supply	125,817	122,945
Dividends and interest	754,117	842,704
Other income	425,112	427,965
Gain on financial assets at fair value through profit or loss	2,036,529	-
	12,966,354	14,377,248

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

Donations and bequests are recognised as revenue when received.

Telemarketing sales are recorded when goods have been dispatched and the associated risks are passed to the purchaser.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise grant is recognised as income on receipt.

The Association receives non reciprocal contributions of assets from third parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

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

Revenue from rendering of a service is recognised upon the delivery of the service to the customer.

Other revenue is recorded on receipt of cash relating to the transaction.

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

Goods and services tax (GST)

Revenues are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

NOTE 3: OPERATING EXPENSES

	2017 $	2016 $
Loss on sale of non – current assets	14,491	109,365
Rental expenses	136,063	175,170
Repairs & maintenance	140,958	120,212
Printing and stationery	146,703	144,911
Legal expenses	251,027	85,941
Depreciation & amortisation	587,342	650,865
Movement in value of inventory of Guide Dogs	(1,114,595)	695,016
Loss on financial assets at fair value through profit or loss	-	1,101,516

Goods and services tax (GST)

Expenses are recognised net of the amount of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers.

NOTE 4: AUDITOR'S REMUNERATION

	2017 $	2016 $
Amount paid to BDO Audit Pty Ltd for:		
Audit of the financial statements	39,000	38,000
Other audit related services	7,000	5,500
	46,000	43,500

NOTE 5: CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and deposits at call or other short-term highly liquid investments, which are subject to insignificant risks of changes in their value.

	2017 $	2016 $
Cash on hand	4,300	6,650
Cash at bank	4,740,767	3,659,510
	4,745,067	3,666,160

NOTE 6: TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Debtors	26,603	30,899
Other receivables	197,888	358,187
GST receivable	6,996	46,019
	231,487	435,105
Prepayments	169,381	131,682
Bartercard	156,167	160,672
Provision for Bartercard	(78,084)	-
	478,950	727,459

Trade and other receivables include amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

All other receivables are classified as non-current assets.

Receivables in the Statement of Financial Position are shown inclusive of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

NOTE 7: INVENTORIES

	2017 $	2016 $
Trading inventory	67,980	124,644
Guide dogs in training	2,282,301	1,167,706
	2,350,281	1,292,350

Trading Inventories are measured at the lower of cost and current replacement cost. Cost has been determined by the average cost method.

Guide dogs in training are valued at cost determined by reference to on-going direct cost of nurturing and training the dogs to their current stage of development.

NOTE 8: INVESTMENTS

	2017 $	2016 $
Current		
Term deposits – at call	5,579	179,193
Term deposits - 60 days plus	1,800,000	3,000,000
	1,805,579	3,179,193
Non current		
Equity securities at fair value through profit or loss*	13,007,337	11,048,436
	13,007,337	11,048,436

* Equity securities at fair value through profit or loss are measured at fair value on a recurring basis.

Fair value

Fair value is the price that would be received to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of principal market, in the advantageous market. The principal or most advantageous market must be accessible to, or by, the entity.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

In measuring fair value, the entity uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Amounts invested for the future growth and expansion of the Association are funds controlled by the Board and managed in consultation with our Investment Managers.

Equity securities comprise of investments in ordinary shares listed on the Australian Securities Exchange and other listed interest rate notes. The fair value of securities is determined by reference to closing bid prices on the Australian Securities Exchange.

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2017 $	2016 $
Property, plant and equipment		
Land, buildings and improvements		
Freehold Land		
At cost	381,312	381,652
Buildings and improvements - Bald Hills		
At cost	3,516,233	3,515,226
Accumulated depreciation	(1,345,127)	(1,255,351)
	2,171,106	2,259,875
Buildings and improvements - Other		
At cost	2,717,108	1,314,337
Accumulated depreciation	(398,735)	(327,676)
	2,318,373	986,661
Total Land, buildings and improvements	**6,614,653**	**5,211,215**
Total accumulated depreciation	**(1,743,862)**	**(1,583,027)**
Total land, buildings and improvements	**4,870,791**	**3,628,188**
Plant and Equipment		
Furniture, fixtures and fittings - at cost	514,503	487,957
Accumulated depreciation	(282,302)	(252,303)
	232,201	235,654
Office plant and equipment - at cost	863,059	703,097
Accumulated depreciation	(554,851)	(447,344)
	308,208	255,753
Motor vehicles - at cost	882,999	1,067,796
Accumulated depreciation	(648,880)	(745,968)
	234,119	321,828
Promotional equipment - at cost	602,914	592,229
Accumulated depreciation	(301,550)	(257,273)
	301,364	334,956
Capital works in progress	10,800	144,866
Total plant and equipment	**2,874,275**	**2,995,945**
Accumulated depreciation	**(1,787,583)**	**(1,702,888)**
Total plant and equipment	**1,086,692**	**1,293,057**
Total property, plant and equipment	**9,488,928**	**8,207,160**
Accumulated depreciation	**(3,531,445)**	**(3,285,915)**
Total property, plant and equipment	**5,957,483**	**4,921,245**

Property, plant and equipment (continued)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2017	*Freehold land*	*Building & improvements*	*Furniture fixtures & fittings*	*Office plant & equipment*	*Motor vehicles*	*Promotional equipment*	*Work in Progress*	*Total*
Carrying amount at 1 July 2016	**381,652**	**3,246,536**	**235,654**	**255,753**	**321,828**	**334,956**	**144,866**	**4,921,245**
Additions	-	1,306,902	38,259	150,452	89,108	21,490	10,800	1,617,011
Transfer to buildings and improvements	-	144,866	-	-	-	-	(144,866)	-
Disposals	(340)	(42,819)	(1,984)	(1,815)	(58,335)	(3,673)		(108,966)
Depreciation	-	(166,006)	(39,728)	(96,182)	(118,482)	(51,409)		(471,807)
Carrying amount at 30 June 2017	**381,312**	**4,489,479**	**232,201**	**308,208**	**234,119**	**301,364**	**10,800**	**5,957,483**

Property, plant and equipment are stated at cost basis or fair value as indicated, less accumulated depreciation and any impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation of property, plant and equipment

The depreciable amount of all fixed assets including buildings, but excluding freehold land is depreciated on a straight line basis over the asset's expected useful life to the Association commencing from the time the asset is available for use.
For building and improvements, different depreciation rates are used depending on the type of the asset.

Class of fixed asset	Useful life
Buildings and improvements	10, 20 & 40
Office plant and equipment	5 – 10
Furniture fixtures and fittings	5 – 10
Promotional equipment	5
Motor vehicles	4

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Impairment of non-financial assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Association estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets.

NOTE 10: INTANGIBLE ASSETS

	2017 $	2016 $
Intangible assets		
Software at cost	675,607	675,607
Accumulated depreciation	(516,160)	(400,626)
	159,447	274,981

Reconciliation of intangible assets at the beginning and end of the current financial year is set out below:

	2017	2016
Carrying amount at 1 July	274,981	397,943
Additions	-	62,859
Amortisation	(115,534)	(133,741)
Write-offs	-	(2,080)
Reclassification of work in progress to property plant & equipment	-	(50,000)
Carrying amount at 30 June	159,447	274,981

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses.

Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

Expenditure capitalised comprises of costs directly attributable to the development of the software.

Amortisation is calculated on a straight line basis over the expected useful life of the software. Amortisation is recognised once the asset is available for use.

NOTE 11: TRADE AND OTHER PAYABLES

	2017 $	2016 $
Trade creditors	323,434	263,410
Accruals	163,660	137,072
GST payable	23,553	4,624
	510,647	405,106

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 12: PROVISIONS

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

Employee provisions

	2017 $	2016 $
Current		
Provision for annual leave	370,753	397,885
Provision for long service leave	329,229	262,316
	699,982	660,201
Non-Current		
Provision for long service leave	59,620	109,516

Short-term employee benefits

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

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as part of accounts payable and other payables in the statement of financial position.

Other long-term employee provisions

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

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

Superannuation

Contributions are made by the Association to an employee superannuation fund and charged as expenses when incurred.

NOTE 13: OTHER LIABILITIES

	2017 $	2016 $
Unearned income	211,392	432,947

NOTE 14: COMMITMENTS

Operating lease commitments

Future minimum lease payments due to non cancellable property operating leases.

	2017 $	2016 $
Operating leases:		
0 – 1 Year	182,432	211,156
1 – 2 Years	73,250	205,032
2 – 5 Years	120,009	214,537
	375,691	630,725

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Capital commitments

	2017 $	2016 $
Breeding centre defects work	33,979	-
Sewerage and sceptic system	-	200,000
	33,979	200,000

NOTE 15: 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. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2017 $	2016 $
Cash at bank	4,740,767	3,659,510
Cash on hand	4,300	6,650
	4,745,067	3,666,160
Capital investment funds	1,805,579	3,179,193
Cash balance as per cash flows statement	6,550,646	6,845,353

NOTE 16: FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

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

	Note	2017	2016
Financial assets		$	$
Cash and cash equivalents	15a	6,550,646	6,845,353
Loans and receivables	6	231,487	435,105
Financial assets;			
Fair value through profit or loss	8	13,007,337	11,048,436
Total financial assets		19,789,470	18,328,894
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	510,647	405,106
Total financial liabilities		510,647	405,106

Refer to Note 8 for detailed disclosures regarding the fair value measurement of the Association's available-for-sale ass

NOTE 17: RELATED PARTY TRANSACTIONS

The names of persons who were directors of the Association at any time during the financial year are as follows:

Mr R A Anderson OAM	President
Ms L M Muller	Vice President
Ms L Reynolds	Honorary Secretary
Mr R J Saunders	
Dr J Vance OAM	
Dr M E Loane AM	
Mr A Ali	
Mr M Kightley	To 3 May 2017
Mr D Jackson	From 25 August 2016

For the year ended 30 June 2017, no remuneration was paid to the Directors of the Association (2016: $0).

Ms Reynolds is a partner of Trescox Lawyers which has provided probono professional services with a value of $61,936 (2016: $11,112) and fee matters of $139,440 (2016: $0) in respect of legal services provided in the ordinary course of business to the Association.

Other key management personnel

Mr D English	Chief Executive Officer (ceased employment on 3 May 2017)
Mr M Kightley	Chief Executive Officer (appointed 4 May 2017)
Ms D Ferguson	General Manager, Support Services
Ms G Evans	General Manager, Community Engagement
Mr E Ingram	General Manager, Client Engagement
Ms F Karydis	Acting Chief Financial Officer (appointed 3 April 2017)
Ms C Creenaune	Acting General Manager Support Service (appointed 4 April to 2 June 2017)
Mr M Barwick	Acting General Manager Community Engagement (appointed 4 April 2017)
Ms A Revell	Acting General Manager Client Engagement (appointed 20 June 2017)

	2017	2016
	$	$
Remuneration including reportable fringe benefits	914,978	780,871

There were no other related party transactions or balances during the year not disclosed elsewhere.

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: LIMITED LIABILITY

The Association is a company limited by guarantee. The liability of the members is limited to $20.

At June 2017 the Association had 141 members (2016: 178).

NOTE 19: EMPLOYEE NUMBERS

	2017	2016
Number of employees at the end of financial year	108	118

NOTE 20: INVESTMENT IN WHOLLY OWNED SUBSIDIARIES

The Association wholly owns the one issued share in each of the following companies:

Australian Guide Dogs Pty Ltd (formerly Guide Dogs Australia Pty Ltd)

Guide Dogs Pty Ltd

The companies have not traded and have no assets or liabilities apart from the one issued share.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Association, the results of the operations or the state of affairs of the Association in financial years subsequent to 30 June 2017.

NOTE 22: CONTINGENT LIABILITIES AND ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at reporting date.

DIRECTOR'S DECLARATION

The directors of Guide Dogs for the Blind Association of Queensland declare that, in the directors' opinion:

1 The financial statements and notes as set out on pages 9 to 25 are in accordance with the Australian Charities and Not-for-profits Commissiona Act 2012 and:

   a. comply with the Australian Accounting Standards - Reduced Disclosure Requirements; and

   b. give a true and fair view of the financial position of the registered entity as at 30 June 2017 and of its performance for the year ended on that date.

2 There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-Profit Commission Regulation 2013.

On behalf of the directors by:

R A Anderson

_______________________________ Director

Dated this 5th October 2017 in Brisbane.

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INDEPENDENT AUDITOR'S REPORT

To the members of Guide Dogs for the Blind Association of Queensland

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Guide Dogs for the Blind Association of Queensland (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Guide Dogs for the Blind Association of Queensland, 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 Associations' financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report, director profiles and corporate governance statement.

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

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

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

Directors' Responsibility for the Financial Report

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

A J Whyte
Director

Brisbane, 5 October 2017