Guide Dogs QUEENSLAND

ANNUAL FINANCIAL REPORT 2017 - 2018

Most Trusted Charity
6 years in a row, 2013 - 2018

From new beginnings, big things grow...

GUIDE DOGS FOR THE BLIND ASSOCIATION OF QUEENSLAND
ABN 89 009 739 664
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

Directors' Report

Your Directors present this report on the financial year ended 30 June 2018.

Directors

The names of each person who has been a Director at any time during the year ended 30 June 2018 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	

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 surplus for the year was $67,263 (2017: $3,520,450).
The cost base of the Association increased during the year as investments were made to build organisational capacity and improve the readiness to provide services under the National Disability Insurance Scheme (NDIS).
Inventory value of Guide Dogs in training at year end remain similar to the previous year. In 2017 the Association significantly increased its Guide Dogs in training inventory resulting in a consequential increase in the value held at year end of $1,114,595.
Also contributing to the surplus for the year was the gain on financial assets at fair value through profit or loss of $573,463 (2017: $2,036,528).

Review of Operations

Guide Dogs for the Blind Association of Queensland (GDQ) is proud to be a trusted provider of training and mobility options for Queenslanders who are blind and vision impaired. Our range of services aim to empower and promote independence through mobility and improved daily living.

We support people who want to remain in their homes by creating opportunities for wellness and connection within their own communities through skill building and training to provide them with the tools they need to live the life they choose.

Directors' Report (continued)

GDQ continues to cultivate community fundraising programs to engage our stakeholders and assist building the networks needed to support a client's individual journey. These fundraising programs also assist the organisation with the means to carry out its services and fund vital advocacy work on issues around the State, while creating awareness on every day issues that affect the lives of vision impaired Queenslanders.

Over the past financial year, the organisation set new benchmarks in quality, service provision and productivity as it planted seeds for future growth and sustainability. Embedding a culture of continuous improvement, focusing on the customer experience and strengthening our regional presence are all strategies to position the organisation and adapt to the numerous reforms in the disability sector.

Recruitment, retention and capacity building of our staff is another area of investment for the organisation, with eight new cadetships commenced this past year, providing a future source of Orientation and Mobility specialists and Guide Dog Mobility Instructors to help meet the increasing demand for services in Queensland.

We also continue to direct more resources to projects that produce highly tailored outcomes for individuals as we operate under the new funding environment created by the National Disability Insurance Scheme (NDIS). This scheme aims to assist more individuals and families with access to funding support that may not have been available to them previously.

Finally, the Board, management and staff of GDQ would like to thank everyone who gave generously throughout the year for their support and for their part in changing the lives of blind and vision impaired Queenslanders for the better.

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 2018.

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 disclose the nature of the liabilities covered by the policy and the amount of the premium.

Directors' Report (continued)

Information on Directors

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.
Mr Anderson is Chairman of the Board of Data #3 Limited, 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 joined the Board as 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. In addition to her role with Guide Dogs for the Blind Association of Queensland, Leanne also serves as a non-executive director of Data #3 Limited, Sugar Terminals Limited, QSuper subsidiary QInsure Limited and Peak Holdings Pty Limited (trading as Peak Services), a subsidiary of Local Government Association of Queensland.

Meetings attended - 11/11

Lynette Reynolds, Company Secretary

BCom LLB LLM
Ms Lynette Reynolds was appointed to the Board in November 2009 and serves as Company Secretary. Ms Reynolds has been a practicing solicitor for over 25 years and is a partner with law firm HWL Ebsworth Lawyers. The firm is a longstanding supporter of Guide Dogs for the Blind Association of Queensland and is its honorary legal advisor. Ms Reynolds has an extensive property and business practice including in the health and child care industry.

Meetings attended - 9/11

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 - 9/11

Directors' Report (continued)

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. 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 – 11/11

Dr Mark Loane AM, Director

MBBS (Qld) FRACO FRACS

Dr Mark Loane AM was elected to the Board of Guide Dogs for the Blind Association of 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 - 6/11

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 – 11/11

Directors' Report (continued)

Drewe Jackson, Director

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 the Head of Group Investment 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

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

Director

Dated this 9th October 2018 in Brisbane.

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, totalling 11 meetings.

Role of the Board of Directors

The Board of Directors currently hold scheduled meetings during the year. Extraordinary meetings at other times 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, Risk and Compliance Committee is to assist the Board in discharging its oversight responsibilities and to review reports and make recommendations. This Committee works 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. This is 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 operational 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.

Corporate Governance (continued)

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 2018

	NOTE	2018 $			2017 $		
		REVENUE	**EXPENSES**	**NET**	**REVENUE**	**EXPENSES**	**NET**
Fundraising	2	**8,398,432**	**4,243,309**	**4,155,123**	**8,648,190**	**4,052,416**	**4,595,774**
Services							
Client Services		1,171,780	3,877,057	(2,705,277)	1,052,245	2,780,701	(1,728,456)
Guide Dog services & supply		452,979	2,945,630	(2,492,651)	264,890	1,905,878	(1,640,988)
		1,624,759	**6,822,687**	**(5,197,928)**	**1,317,135**	**4,686,579**	**(3,369,444)**
Other							
Dividends & interest		970,111	194,554	775,557	754,117	215,910	538,207
Other		180,181	393,026	(212,845)	210,382	476,507	(266,125)
Gain/ (Loss) on financial assets at fair value through profit or loss		573,463	-	573,463	2,036,529	-	2,036,529
Gain/ (Loss) on sale of non-current assets		-	26,107	(26,107)	-	14,491	(14,491)
		1,723,755	**613,687**	**1,110,068**	**3,001,028**	**706,908**	**2,294,120**
Surplus before income tax				67,263			3,520,450
Income tax expense	1			-			-
Surplus for the year				**67,263**			**3,520,450**
Total comprehensive income for the year				**67,263**			**3,520,450**

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	NOTE	2018 $	2017 $
Current assets			
Cash on hand	5	4,659,613	4,745,067
Trade and other receivables	6	621,288	478,950
Inventories on hand	7	2,505,324	2,350,281
Investments	8	1,889,397	1,805,579
Total current assets		**9,675,622**	**9,379,877**
Non-current assets			
Property, plant and equipment	9	6,074,097	5,957,483
Intangible assets	10	97,940	159,447
Investments	8	12,917,301	13,007,338
Total non-current assets		**19,089,338**	**19,124,268**
Total assets		**28,764,960**	**28,504,145**
Current liabilities			
Accounts payable and other payables	11	609,629	510,647
Employee provisions	12	828,091	699,982
Other liabilities	13	190,816	211,392
Total current liabilities		**1,628,536**	**1,422,021**
Non-current liabilities			
Employee provisions	12	46,657	59,620
Total non-current liabilities		**46,657**	**59,620**
Total liabilities		**1,675,193**	**1,481,641**
Net assets		**27,089,767**	**27,022,504**
Equity			
Retained surplus		27,089,767	27,022,504
Total equity		**27,089,767**	**27,022,504**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	RETAINED SURPLUS $	TOTAL $
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**
Comprehensive income		
Surplus for the year	67,263	67,263
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	**67,263**	**67,263**
Balance at 30 June 2018	**27,089,767**	**27,089,767**

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
Cash flows from operating activities			
Receipts from contributors and grants		9,834,187	10,096,323
Payments to suppliers and employees		(11,451,066)	(10,336,145)
Dividends received		800,765	661,906
Interest received		101,353	153,676
Net cash inflows/(outflows) from operating activities		**(714,761)**	**575,760**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		12,357	94,722
Payments for property, plant and equipment and intangibles		(737,566)	(1,617,011)
Proceeds from sale of investment		7,292,843	1,811,911
Payments for investments		(5,854,509)	(1,160,089)
Net cash inflows/(outflows) from investing activities		**713,125**	**(870,467)**
Net increase/(decrease) in cash held		(1,636)	(294,707)
Cash on hand at beginning of the financial year		6,550,646	6,845,353
Cash on hand at the end of the financial year	15(a)	**6,549,010**	**6,550,646**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Association 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 9th October 2018 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 2017 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 2018. They have not been adopted in preparing the financial statements for the year ended 30 June 2018 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: REVENUE

Revenue and Other Income

	2018 $	2017 $
Revenue		
Fundraising		
Donations from corporate & community	2,640,935	2,931,599
Bequests	3,805,318	3,544,737
Art union / telemarketing	1,320,640	1,531,900
Donations and appeals	631,539	639,954
	8,398,432	8,648,190
Client services	1,171,780	1,052,245
Guide Dog services & supply	452,979	264,890
Dividends and interest	970,111	754,117
Other income	180,181	210,382
Gain on financial assets at fair value through profit or loss	573,463	2,036,529
	11,746,946	12,966,353

Accounting Policy

Revenue recognition

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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 zero 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.

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.

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

	2018 $	2017 $
Loss on sale of non – current assets	26,107	14,491
Rental expenses	118,062	136,063
Repairs & maintenance	147,188	140,958
Printing and stationery	165,203	146,703
Legal expenses	336,569	251,027
Depreciation & amortisation	643,994	587,342
Movement in value of inventory of Guide Dogs in training	(50,268)	(1,114,595)

Accounting Policy

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: AUDITOR'S REMUNERATION

	2018 $	2017 $
Amount paid to BDO Audit Pty Ltd for:		
Audit of the financial statements	40,500	39,000
Other audit related services	8,000	7,000
	48,500	46,000

NOTE 5: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash on hand	3,500	4,300
Cash at bank	4,656,113	4,740,767
	4,659,613	4,745,067

Accounting Policy

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.

NOTE 6: TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Debtors	44,633	26,603
Other receivables	279,269	197,888
GST receivable	32,357	6,996
Trade and other receivables at amortised cost	356,259	231,487
Prepayments	194,589	169,381
Bartercard	140,880	156,167
Provision for impairment	(70,440)	(78,084)
	621,288	478,950

Accounting Policy

Trade and other receivables at amortised cost 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: INVENTORIES

	2018 $	2017 $
Trading inventory	67,275	67,980
Guide Dogs in training	2,438,049	2,282,301
	2,505,324	2,350,281

Accounting Policy

Trading Inventories are measured at the lower of cost and current replacement cost. Cost has been determined by the average cost method.
Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

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

	2018 $	2017 $
Current		
Term deposits – at call	-	5,579
Term deposits - 60 days plus	1,889,397	1,800,000
	1,889,397	1,805,579
Non current		
Investments at fair value through profit or loss	12,917,301	13,007,338
	12,917,301	13,007,338

Accounting Policy

Investments at fair value through profit or loss are measured at fair value on an ongoing 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.

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.

Investments comprise of equity securities 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2018 $	2017 $
Property, plant and equipment		
Land, buildings and improvements		
Freehold land		
At cost	381,312	381,312
Buildings and improvements		
At cost	6,482,798	6,233,341
Accumulated depreciation	(1,955,053)	(1,743,862)
	4,527,745	4,489,479
Total land, buildings and improvements	**6,864,110**	**6,614,653**
Total accumulated depreciation	**(1,955,053)**	**(1,743,862)**
Total land, buildings and improvements	**4,909,057**	**4,870,791**
Plant and Equipment		
Furniture, fixtures and fittings - at cost	491,413	514,503
Accumulated depreciation	(287,802)	(282,302)
	203,611	232,201
Office plant and equipment - at cost	817,036	863,059
Accumulated depreciation	(490,553)	(554,851)
	326,483	308,208
Motor vehicles - at cost	886,530	882,999
Accumulated depreciation	(694,583)	(648,880)
	191,947	234,119
Promotional equipment - at cost	577,774	602,914
Accumulated depreciation	(338,783)	(301,550)
	238,991	301,364
Capital works in progress	204,008	10,800
Total plant and equipment	**2,976,761**	**2,874,275**
Accumulated depreciation	**(1,811,721)**	**(1,787,583)**
Total plant and equipment	**1,165,040**	**1,086,692**
Total property, plant and equipment	**9,840,871**	**9,488,928**
Accumulated depreciation	**(3,766,774)**	**(3,531,445)**
Total property, plant and equipment	**6,074,097**	**5,957,483**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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:

2018	*Freehold land*	*Building & improvements*	*Furniture fixtures & fittings*	*Office plant & equipment*	*Motor vehicles*	*Promotional equipment*	*Work in Progress*	*Total*
Carrying amount at 1 July 2017	**381,312**	**4,489,479**	**232,201**	**308,208**	**234,119**	**301,364**	**10,800**	**5,957,483**
Additions	-	260,664	42,912	165,498	69,220	4,064	193,208	735,566
Disposals	-	(8,122)	(16,347)	(5,568)	(7,324)	(1,104)	-	(38,465)
Depreciation	-	(214,276)	(55,155)	(141,655)	(104,068)	(65,333)	-	(580,487)
Carrying amount at 30 June 2018	**381,312**	**4,527,745**	**203,611**	**326,483**	**191,947**	**238,991**	**204,008**	**6,074,097**

Accounting Policy

Each class of property, plant and equipment is carried at cost or fair value as indicated, less where applicable, 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 initially recognised and measured 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Property, plant and equipment (continued)

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 current replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual assets, 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

	2018 $	2017 $
Intangible assets		
Software at cost	677,607	675,607
Accumulated amortisation	(579,667)	(516,160)
	97,940	159,447

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

	2018	2017
Carrying amount at 1 July	159,447	274,981
Additions	2,000	-
Amortisation	(63,507)	(115,534)
Carrying amount at 30 June	97,940	159,447

Accounting Policy

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 five 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11: TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade creditors	187,263	323,434
Accruals	396,856	163,660
GST payable	25,510	23,553
	609,629	510,647

Accounting Policy

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

	2018 $	2017 $
Current		
Provision for annual leave	418,306	370,753
Provision for long service leave	409,785	329,229
	828,091	699,982
Non-Current		
Provision for long service leave	46,657	59,620

Accounting Policy

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: OTHER LIABILITIES

	2018	2017
	$	$
Unearned income	190,816	211,392

NOTE 14: COMMITMENTS

Operating lease commitments

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

	2018	2017
	$	$
Operating leases:		
0 – 1 Year	168,912	182,432
1 – 2 Years	107,623	73,250
2 – 5 Years	159,719	120,009
	436,254	375,691

Accounting Policy

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

	2018	2017
	$	$
Breeding centre defects work	-	33,979

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:

	2018	2017
	$	$
Cash at bank	4,656,113	4,740,767
Cash on hand	3,500	4,300
	4,659,613	4,745,067
Capital investment funds	1,889,397	1,805,579
Cash balance as per cash flows statement	6,549,010	6,550,646

(b) There are no non-cash financing or investing activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 16: FINANCIAL INSTRUMENTS

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

	Note	2018	2017
Financial assets		**$**	**$**
Cash and cash equivalents	15a	6,549,010	6,550,646
Trade and receivables at amortised cost	6	356,259	231,487
Investments at fair value through profit or loss	8	12,917,301	13,007,337
Total financial assets		19,822,570	19,789,470
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables at amortised cost	11	609,629	510,647
Total financial liabilities		609,629	510,647

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

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Association during the year are as follows:

	2018	2017
	$	**$**
Remuneration including reportable fringe benefits	748,923	914,978

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	Company Secretary
Mr R J Saunders	
Dr J Vance OAM	
Dr M E Loane AM	
Mr A Ali	
Mr D Jackson	

For the year ended 30 June 2018, no remuneration was paid to the Directors of the Association (2017: $0).

Ms Reynolds was a partner of Trescox Lawyers for the part of the financial year, which has provided probono professional services with a value of $6,416 (2017: $61,936) and fee matters of $304,800 (2017: $139,440) in respect of legal services provided in the ordinary course of business to the Association.

Other key management personnel

Mr M Kightley	Chief Executive Officer
Ms F Karydis	Chief Financial Officer
Ms A Revell	General Manager Client Engagement
Mr J Beveridge	General Manager Community Engagement (appointed 24 July 2017)
Mr M Barwick	Acting General Manager Community Engagement (4 April 2017 to 23 July 2017)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18: LIMITED LIABILITY

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company wound up is $3,020. (2017: 2,820).

NOTE 19: EMPLOYEE NUMBERS

	2018	2017
Number of employees at the end of financial year	119	108

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 2018.

NOTE 22: CONTINGENT LIABILITIES AND ASSETS

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

DIRECTORS' 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 24 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

   a. complying with the Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and

   b. give a true and fair view of the financial position of the registered entity as at 30 June 2018 and of its performance for the year ended on that date.

2 There are reasonable grounds to believe that Guide Dogs for the Blind Association of Queensland 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. Anderson

______________________________ Director

Dated this 9th October 2018 in Brisbane.

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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 Company), which comprises the statement of financial position as at 30 June 2018, 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 company's financial position as at 30 June 2018 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 company 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

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Responsibilities of Directors 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 – 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, Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the company'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, 9 October 2018