

Guide Dogs Victoria

Financial Report
for the Year Ended
30 June 2017



Guide
Dogs
VICTORIA



Guide Dogs Victoria

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For the Year Ended 30 June 2017

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Guide Dogs Victoria

Directors' Report

30 June 2017

The Board of Guide Dogs Victoria (the company) is pleased to present the Director's Report for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activities of Guide Dogs Victoria in the course of the financial year were directed towards the provision of guide dogs and orientation and mobility services to children and adults in Victoria who are blind or with low vision.

OBJECTIVES AND STRATEGIES

Short Term Objective

To provide high quality client services in an efficient and effective manner.

Long Term Objective

To provide Victorians who are blind or with low vision with high quality training and support to maximise their independence.

Strategies

To achieve these objectives, the company has adopted the following strategies:

- Be the provider of choice for the delivery of Guide Dog and Orientation and Mobility services.
- Build a financially sustainable business model.
- Deliver a mix of fundraising activities to support the delivery of our services.
- Increase the profile and levels of trust in the Guide Dogs Victoria brand through professional and integrated communications.
- Provide an environment to enable our people to safely perform to their potential and enjoy what they do every day.

PERFORMANCE MEASURES

Guide Dogs Victoria operations for the financial year in meeting its services to clients recorded a net gain of \$5,670,796. During 2016/17, Guide Dogs Victoria serviced 1,886 clients, a 37% increase on the prior financial year.

A further review of the operations of Guide Dogs Victoria during the financial year and the results of those operations is contained in the Annual Report.

Guide Dogs Victoria

Directors' Report

30 June 2017

DIRECTOR'S MEETINGS

The number of meetings of Directors (including Audit & Risk Management (A & RM), Membership (M'Ship), Remuneration (Rem), and Marketing & Fundraising (M&F) Committee, Social Reform and Governance (SR & Gov) and Dialogue in the Dark (DiD) meetings) held during the financial year, and the number of meetings attended by each Director was as follows:

	Directors Mtgs	A & RM Mtgs	M'Ship Mtgs	Rem Mtgs	M&F Mtgs	SR & Gov Mtgs	DiD Mtgs
Number of meetings held	8	4	1	1	2	1	3
Charles Thompson (President)	5	-	1	1	-	1	-
Vale Betty Amsden OAM (26 February 2017)	4	-	-	-	2	-	1
David Cochrane (Appointed 26 October 2016)	3	2	-	-	-	-	3
Iain Edwards (Vice President)	8	-	1	1	-	1	3
Jenny Gray	6	4	-	-	-	-	3
Graeme Houghton	6	-	-	-	2	-	3
Anthony Kearns (Appointed 30 November 2016)	4	2	-	-	2	-	-
Maria Mecurio	6	-	-	-	2	1	-
Bruce Porter (Hon. Treasurer)	6	4	1	1	-	1	-
Gary Williams - Resigned 30 November 2016	4	2	-	-	-	-	-

Committee membership

The Company had an **Audit & Risk Management Committee**. Members of the Board on the Committee during the financial year were:

- * Bruce Porter (Chair)
- * David Cochrane – Appointed January 2017
- * Jenny Gray
- * Anthony Kearns – Appointed January 2017
- * Gary Williams

The Company had a **Membership Committee**. Members of the Board on the Committee during the financial year were:

- * Charles Thompson (Chair)
- * Iain Edwards
- * Maria Mecurio – Appointed January 2017
- * Bruce Porter

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Directors' Report

30 June 2017

The Company had a **Remuneration Committee**. Members of the Board on the Committee during the financial year were:

- * Charles Thompson (Chair)
- * Iain Edwards
- * Bruce Porter

The Company had a **Marketing & Fundraising Committee**. Members of the Board on the Committee during the financial year were:

- * Vale Betty Amsden (Chair)
- * Graeme Houghton
- * Anthony Kearns – Appointed January 2017
- * Maria Mecurio

The Company had a **Social Reform and Governance Committee** which dissolved on the 26th of September 2017. Members of the Board on the Committee during the financial year were:

- * Charles Thompson (Chair)
- * David Cochrane – Appointed January 2017
- * Iain Edwards – Appointed January 2017
- * Maria Mecurio
- * Bruce Porter

On the 31st January 2017, the Company established a **Dialogue in the Dark Committee** to oversee the establishment of Dialogue in the Dark. This Committee dissolved on the 25th July 2017. Members of the Board on the Committee during the financial year were:

- * Jenny Gray (Chair)
- * Vale Betty Amsden
- * David Cochrane
- * Iain Edwards
- * Graeme Houghton

COMPANY LIMITED BY GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. As a Charity the company is governed by the *Australian Charities and Not-for-profits Commission Act 2012*. 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 liabilities of the entity. As at 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$2,020 (2016: \$1,160).

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Directors' Report

30 June 2017

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:

Charles Thompson, President



Director:

Bruce Porter, Hon. Treasurer

Dated this 26th day of September 2017

**Auditor's Independence Declaration under Section 307C of the Corporations Act
2001 to the directors of Guide Dogs Victoria**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood

Hayley Underwood
Partner

Melbourne, 26 September 2017

Guide Dogs Victoria

Statement of Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue			
Fundraising and Gift in Wills	2(a)	10,554,791	9,803,057
Funding for capital purposes		5,467,951	1,896,495
Revenue from merchandise sales		2,115,998	2,203,692
Revenue from the provision of dogs and orientation and mobility services	2(b)	2,338,079	1,806,024
Rental revenue		45,343	35,037
Finance revenue	2(c)	452,726	208,316
Other income	2(d)	6,553	147,514
Total Revenue		20,981,441	16,100,135
Expenditure			
Fundraising and Gift in Wills	3(c)	(2,560,138)	(2,990,437)
Cost of merchandise sales		(1,721,732)	(2,057,593)
Cost of provision of dogs and orientation and mobility services	3(b)	(8,194,592)	(6,165,426)
Community information and public education		(1,273,140)	(558,819)
Corporate services		(1,495,107)	(1,440,878)
Other expenses	3(d)	(65,936)	(199,518)
Total Expenditure	3(a)	(15,310,645)	(13,412,671)
Gain before income tax		5,670,796	2,687,464
Income tax expense		-	-
Net gain for the year		5,670,796	2,687,464
Other comprehensive income			
Net (loss)/gain on re-measurement of available-for-sale financial assets		116,266	(101,250)
Total comprehensive gain for the year		5,787,062	2,586,214

The accompanying notes form part of these financial statements.

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Statement of Financial Position

30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,444,532	3,525,994
Trade and other receivables	5	3,142,133	1,148,026
Inventories	6	1,341,957	806,237
Financial assets	7	2,085,344	2,074,523
TOTAL CURRENT ASSETS		12,013,966	7,554,780
NON-CURRENT ASSETS			
Financial assets	7	975,100	1,252,868
Property, plant and equipment	8	8,752,025	7,708,319
Intangible assets	9	-	-
Investment property	10	1,050,000	-
TOTAL NON-CURRENT ASSETS		10,777,125	8,961,187
TOTAL ASSETS		22,791,091	16,515,967
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	925,175	575,889
Provisions	12	965,282	829,816
TOTAL CURRENT LIABILITIES		1,890,457	1,405,705
NON-CURRENT LIABILITIES			
Provisions	12	91,189	87,879
TOTAL NON-CURRENT LIABILITIES		91,189	87,879
TOTAL LIABILITIES		1,981,646	1,493,584
NET ASSETS		20,809,445	15,022,383
ACCUMULATED FUNDS			
Reserves	13	11,296,957	6,043,494
Retained earnings		9,512,488	8,978,889
TOTAL ACCUMULATED FUNDS		20,809,445	15,022,383

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2017

	Retained Earnings	General Reserve	Capital Reserve	Financial Asset Reserve	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2015	7,347,167	4,800,000	-	289,002	12,436,169
Net gain for the year	2,687,464	-	-	-	2,687,464
Other comprehensive income / (loss)	-	-	-	(101,250)	(101,250)
Transfer to Capital Reserve	(1,055,742)	-	1,055,742	-	-
Balance at 30 June 2016	8,978,889	4,800,000	1,055,742	187,752	15,022,383

	Retained Earnings	General Reserve	Capital Reserve	Financial Asset Reserve	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2016	8,978,889	4,800,000	1,055,742	187,752	15,022,383
Net gain for the year	5,670,796	-	-	-	5,670,796
Other comprehensive income / (loss)	-	-	-	116,266	116,266
Transfer to Capital Reserve	(5,137,197)	-	5,137,197	-	-
Balance at 30 June 2017	9,512,488	4,800,000	6,192,939	304,018	20,809,445

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and donors	14,736,571	12,103,102
Payments to suppliers and employees	(16,903,589)	(13,947,570)
Interest received	69,090	30,563
Special project donations	3,031,623	2,455,206
Receipt of government grants	1,657,248	1,476,740
Dividends received	211,088	149,001
Net cash inflows from operating activities	<u>2,802,031</u>	<u>2,267,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for available-for-sale investments	(107,347)	(405,053)
Proceeds from the sale of available-for-sale investments	663,109	996,281
Proceeds from sale of investment property	-	229,269
Payment for property, plant and equipment	(1,439,256)	(1,450,686)
Net cash outflows in investing activities	<u>(883,494)</u>	<u>(630,189)</u>
Net cash increase in cash and cash equivalents held	1,918,538	1,636,853
Cash and cash equivalents at beginning of year	3,525,994	1,889,141
Cash and cash equivalents at end of financial year	4 <u>5,444,532</u>	<u>3,525,994</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of significant accounting policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of tiers of Australian Accounting Standards and AASB 2010 - 2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The company is a not-for-profit company for financial reporting purposes under the Australian Accounting Standards. The financial statements, except for 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.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (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 otherwise stated.

(b) Revenue and Other Income

Revenue is recognised where it can be reliably measured in the period to which it relates.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Gift in wills are recognised as income when three conditions are met, (1) the company obtains control of the Gift in will or the right to receive the Gift in will; (2) it is probable that the economic benefits comprising the Gift in wills will flow to the company and (3) the amount of the Gift in will can be measured reliably. Gift in wills received in the form of investments or other non-cash items are taken into account at their fair value.

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

Rental revenue from the investment property is accounted for on a straight-line basis over the lease term.

Grant revenue is recognised when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations are recognised as revenue as received.

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

(c) Inventories

Inventory is represented by guide dogs on hand and dogs in training, and finished goods for merchandise products sold through the commercial activities of the company.

Guide dogs and dogs in training are valued at the lower of cost or current replacement cost and net realisable value in accordance with Australian Accounting Standards. The cost of guide dogs and dogs in training inventories comprises all costs directly related to the production of guide dogs with carrying values of these dogs expensed when they are issued to clients or removed from the program.

Finished goods held for resale is measured at the lower of cost or current replacement cost and net realisable value. The cost of finished goods for merchandise comprises costs of acquisition which includes the cost incurred in bringing each product to its present location.

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Notes to the Financial Statements For the Year Ended 30 June 2017

(d) Taxes

Goods and Services Tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO); and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows included in receipts from customers or payments to suppliers.

Income Tax

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

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument.

For financial assets, this is equivalent to the date that the company 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 expensed to 'profit or loss' immediately.

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 (current bid prices) in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted, including recent arm's length transactions, reference to similar instruments, and option pricing models.

(i) Amortised cost

Amortised cost is calculated as the amount at which the financial assets or liabilities were initially recognised less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial maturity amount calculated using the effective interest method.

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

Financial assets are classified at fair value through 'profit or loss' when they are held for trading for the purpose of short-term profit taking, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in 'profit or loss'.

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Notes to the Financial Statements For the Year Ended 30 June 2017

(e) Financial Instruments (continued)

(iii) 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iv) 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 company's intention to hold these investments to maturity. They 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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

(v) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such fair value (gains and losses) recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset, previously recognised in other comprehensive income, is reclassified into 'profit or loss'.

Available-for-sale financial assets are included in current assets, except for those which are expected to be disposed of 12 months after the end of the reporting period.

(vi) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in 'profit or loss'.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

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Notes to the Financial Statements For the Year Ended 30 June 2017

(e) Financial Instruments (continued)

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or 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'.

(f) Employee Benefits

Short-term employee provisions

Provision is made for the company'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, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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 re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in 'profit or loss' as a part of employee benefits expense.

The company'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 provisions.

(g) Accumulated Funds

The classification 'Accumulated Funds' has been used in the accounts of Guide Dogs Victoria as it is a company limited by guarantee and has no shareholders. It is the Directors' opinion that the use of the classification 'Shareholders Equity' would be misleading.

(h) Property, Plant and Equipment

The Kew property where Guide Dogs Victoria operates is crown land and accordingly the land value is not included in the Statement of Financial Position.

All items of buildings, plant and equipment are carried at the lower of cost, less accumulated depreciation and impairment losses.

All acquisitions of buildings, plant and equipment are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to acquisition.

Buildings, 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 controlled by Guide Dogs Victoria.

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Notes to the Financial Statements For the Year Ended 30 June 2017

(h) Property, Plant and Equipment (continued)

Depreciation

Building, plant and equipment is depreciated on a straight line method over the expected useful lives of the assets commencing from the time the asset is held ready for use. The following estimated useful lives are used in the calculation of depreciation.

Class of Fixed Asset	Useful Life
Buildings	10 to 50 years
Plant and Equipment	3 to 10 years

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

(i) Investment Property

Investment property is held to generate rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost or its fair value on the date it is gifted to GDV.

After initial recognition, investment property is accounted for in accordance with the cost model as set out in AASB 116 Property, Plant and Equipment - cost less accumulated depreciation and less accumulated impairment losses. Investment property is depreciated on a straight line method over its expected useful life of 30 years.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in 'profit or loss'.

(j) Impairment of Assets

At the end of each reporting period, the company reviews the carrying values of its tangible assets and intangible assets with finite life 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'.

(k) Trade and Other Receivables

Trade and other receivables are financial instruments (loans and receivables) and are recognised and carried at original invoice amount less a provision for any impairment. They are not recognised at amortised cost due to their short term nature. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(l) Trade and Other Payables

Liabilities for trade creditors and other payables are financial instruments (financial liabilities) and are recognised and carried at cost which is the amount estimated to be paid at settlement.

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Notes to the Financial Statements For the Year Ended 30 June 2017

(m) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, and any short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

(n) Intangible Assets

Computer software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.

(o) Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements 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 company.

Valuation of guide dogs

Dogs are valued based on the costs incurred in the breeding, puppy raising and kennels/dog training departments. The costs are allocated based on the estimated number of dogs coming through the three stages of producing a guide dog. The estimate is based on the average dogs born over the last two years as this likely represents the life cycle of the program from the time when the puppy is born, raised and has successfully become a guide dog. An obsolescence factor is also applied.

(p) Financial Risk Management

The company's short term investing activities to fund operating and special purpose cash requirements are confined to cash and cash equivalent assets. The Board holds a long-term view of investing for all other activities, and hold cash equivalent assets to maturity. The Board keeps informed of market risks through monthly management reporting, and there has been no significant change in strategy used to manage financial risk from the previous period.

(q) Provisions

Provisions are recognised when the company 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.

(r) Comparative Figures

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

(s) Adoption of New and Revised Accounting Standards

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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Notes to the Financial Statements For the Year Ended 30 June 2017

(s) Adoption of New and Revised Accounting Standards (continued)

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard that may affect or not is that an entity will 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 the goods or services.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard that may affect the company include the recognition of a right-to-use asset and liability for all leases, depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* and additional disclosure requirements.

Although the Directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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Notes to the Financial Statements For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
2 Revenue			
(a) Fundraising and Gift in Wills			
Donations		5,687,211	4,969,787
Gift in wills		4,867,580	4,833,270
Total fundraising and Gift in will revenue		10,554,791	9,803,057
(b) Revenue from provision of dogs and orientation mobility services			
Government grants for services		1,901,563	1,476,740
Provision of in-kind goods		88,684	85,354
Revenue from sale of dogs and provision of services		347,832	243,930
Total revenue from provision of dogs and mobility services		2,338,079	1,806,024
(c) Finance Revenue			
Bank interest		68,490	30,563
Income from investments		383,636	176,962
Other		600	791
Total finance revenue		452,726	208,316
(d) Other Revenue			
Gain on Disposal of Investment Property		-	43,312
Others		6,553	104,202
Total other income		6,553	147,514

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
3 Expenditure			
(a) Total expenditure items include			
Defined contribution plan superannuation		803,967	631,848
Employee benefits expense		7,706,686	6,478,103
Depreciation and amortisation		395,550	332,281
(b) Cost of provision of dogs and mobility services			
Cost of guide dog services		6,810,270	4,272,056
(Increase) / Decrease in dog inventory valuation		(566,194)	2,786
Cost of mobility services		1,950,516	1,890,584
Total cost of the provision of dogs and mobility services		8,194,592	6,165,426
(c) Cost of fundraising and Gift in wills includes:			
Fundraising activity aimed at enhancing the associated returns in future years		919,929	1,091,818
(d) Other expenses:			
Net loss disposal of financial assets		-	64,538
Loss on disposal of property, plant and equipment		-	30,356
Investment management cost		17,695	51,604
Fringe benefit expense		36,538	37,692
Bad and doubtful debts		11,703	12,166
Sundry expenses		-	2,982
Total other expenses		65,936	199,518

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
4 Cash and Cash Equivalents			
Cash at Bank		5,443,932	3,525,394
Cash on Hand		600	600
Total Cash and Cash Equivalents		5,444,532	3,525,994
5 Trade and other receivables			
Trade receivables	(a)	309,657	422,879
Provision for doubtful debts	(b)	(3,261)	(5,380)
		306,396	417,499
Prepayments		11,397	52,049
Sundry receivables		2,544,546	676,302
Goods and service tax		279,794	2,176
Total trade and other receivables	19	3,142,133	1,148,026

(i) Included in trade receivables as at 30 June 2017 are balances owing from relating parties amounting to \$51,279 (2016: \$89,083) (see Note 20).

(ii) Included in the Sundry Receivables is a Gift in Wills of \$1,799,684 for the Capital Appeal that was received in early July 2017

(a) Aged analysis

Trade receivables are non-interest bearing and are generally on 30 to 60 day terms. A provision for doubtful debt is recognised when there is objective evidence that a trade receivable is impaired.

As at 30 June, the aged analysis of trade receivables is as follows:

0-30 days	199,387	384,943
31-60 days	98,034	20,409
61-90 days	5,356	7,659
90+ days	6,880	9,868
	309,657	422,879

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The above table details the company's trade receivables exposed to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
5 Trade and other receivables (continued)			
(b) Movement in the provision for doubtful debts is as follows:			
As at 1 July		5,380	10,605
Charge for the year		11,703	12,166
Written off		(13,822)	(17,391)
As at 30 June		3,261	5,380
6 Inventories			
Finished goods		117,772	148,245
Guide dogs and dogs in training		1,224,185	657,992
		1,341,957	806,237
The amount of inventory recognised as an expense during the year ended 30 June 2017 was \$1,438,447 (year ended 30 June 2016: \$1,878,579).			
7 Financial Assets			
Current			
Financial assets available-for-sale		2,085,344	2,074,523
Non-Current			
Financial assets available-for-sale		975,100	1,252,868
Total	18	3,060,444	3,327,391
8 Property, plant and equipment			
Buildings			
At Cost		8,902,806	7,741,588
Less: accumulated depreciation		(1,139,178)	(909,913)
Total buildings	8(a)	7,763,628	6,831,675
Plant and equipment			
At cost		2,229,952	1,951,912
Less accumulated depreciation		(1,241,555)	(1,075,268)
Total plant and equipment	8(a)	988,397	876,644
Total property, plant and equipment			
At Cost		11,132,758	9,693,500
Less accumulated depreciation		(2,380,733)	(1,958,181)
Total property, plant and equipment		8,752,025	7,708,319

Guide Dogs Victoria

Notes to the Financial Statements For the Year Ended 30 June 2017

8 Property, plant and equipment (continued)

(a) Movements in carrying amounts

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

	Note	2017 \$	2016 \$
Buildings			
Carrying amount at beginnings		6,831,675	5,969,117
Additions at cost		1,161,218	1,110,856
Disposals at net written down value		-	(82,485)
Depreciation expense		(229,265)	(175,726)
Write-back of depreciation from write down of buildings		-	9,913
Net carrying value		7,763,628	6,831,675
Plant and equipment			
Carrying amount at beginnings		876,644	702,426
Additions at cost		278,039	339,830
Disposal at net written down value		-	(487,484)
Depreciation expense		(166,286)	(140,155)
Write-back of depreciation from write down of plant and equipment		-	462,027
Net carrying value		988,397	876,644

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
9 Intangible Assets		
Computer software - at cost	58,687	58,687
Accumulated amortisation	9(a) <u>(58,687)</u>	<u>(58,687)</u>
Total Intangible Assets	<u>-</u>	<u>-</u>

(a) Movements in carrying amounts

Reconciliation of the carrying values of intangible assets between the beginning and end of the current financial year:

Computer software

Carrying amount at beginning	-	12,290
Amortisation charge	-	<u>(12,290)</u>
Net carrying value	<u>-</u>	<u>-</u>

10 Investment Property

Investment property – at valuation	-	230,000
Accumulated depreciation	-	(44,043)
Disposal	-	(230,000)
Depreciation Reversal	-	44,043
Additions	<u>1,050,000</u>	-
Closing balance as at 30 June	<u>1,050,000</u>	<u>-</u>

(a) Movements in carrying amounts

Reconciliation of the carrying values of the investment property between the beginning and end of the current financial year:

Investment property

Carrying amount at beginning	-	190,799
Depreciation charge	-	(4,842)
Disposal	-	(230,000)
Additions	<u>1,050,000</u>	-
Write-back of depreciation from disposal of investment property	-	44,043
Net carrying value	<u>1,050,000</u>	<u>-</u>

Investment property at 30 June 2017 comprises of a residential property that was gifted to Guide Dogs Victoria during the year that is to be leased to a third party and has a no sale obligation for five years. Rental revenue from investment property during the year amounted to \$Nil. The fair value of the property is based on an independent valuation on 15 February 2017.

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
11 Trade and other payables			
Trade payables	(i)	309,899	207,971
Other payables	(ii)	529,839	302,836
Withholding tax payable		85,437	65,082
Total trade and other payables	18	925,175	575,889

(i) Trade payables are non-interest bearing and are generally settled on 30 to 60 day terms.

(ii) Other payables are non-interest bearing and are generally on 30 to 90 day terms.

(iii) For terms and conditions relating to related party payables refer to Note 20.

12 Provisions

Current

Employee benefits - Long service leave	453,021	445,918
Employee benefits – Annual leave	512,261	383,898
Total current employee benefits	965,282	829,816

Non-Current

Employee benefits - Long service leave	91,189	87,879
Total Provisions	1,056,471	917,695

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(f) to these financial statements.

Analysis of total provisions

	Long service leave \$	Annual Leave \$	Total \$
Opening balance at 1 July 2016	533,797	383,898	917,695
Additional provision raised during the year	61,441	514,231	575,672
Amounts used	(51,028)	(385,868)	436,896
Balance at 30 June 2017	544,210	512,261	1,056,471

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Reserves

The amounts of the reserves are in the Statement of Equity.

(a) General Reserve

This reserve equates to the level of funds required at balance date to meet the company's current obligations, operating commitments and special purpose funds' obligations, and includes a prudential margin for unforeseen events.

(b) Financial Asset Reserve

The financial asset reserve records fair value increments and decrements (that do not represent impairment write-downs) in measuring financial assets that are classified as available-for-sale.

(c) Capital Reserve

This reserve equates the level of funds required at balance date to meet the company's special purpose fund obligations in relating to the capital appeal fundraising of the Kew site redevelopment.

14 Liability of Members

Guide Dogs Victoria is a company limited by guarantee and in accordance with the Memorandum of Association the liability of members in the event the company being wound up would not exceed \$20 per member. As at 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$2,020 (2016: \$1,160).

15 Remuneration of Directors

Directors are not eligible and have not been remunerated for their services (2016: Nil).

16 Remuneration of Auditors

	2017	2016
	\$	\$
Amount received or due and receivable by the auditors for:		
- Audit services	47,362	43,000

17 Commitments

Motor vehicles and office equipment operating leases	1,423,880	1,156,215
Property lease	73,686	120,225
Total lease commitments	1,497,567	1,276,440

Total lease commitments are payable as follows:

- not later than one year	944,823	475,636
- later than one year and not later than two years	316,447	386,101
- later than two years and not later than five years	236,296	414,703
	1,497,567	1,276,440

(i) Guide Dogs Victoria has entered into commercial operating leases for its fleet of motor vehicles and rental agreements for its office equipment. Contracts for motor vehicles have an average life of between 4 to 5 years. These are non-cancellable operating leases contracted for and accordingly are not recognised in the financial statements.

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

17 Commitments (Continued)

(ii) Guide Dogs Victoria has entered into a rental agreement for a regional office. The related commitment includes an amount of \$26,444 (2016:\$26,260) that will be recouped under a sub-lease.

18 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, investments in government and fixed interest securities, investments in listed shares, accounts receivable and payable.

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

		2017	2016
		\$	\$
Financial Assets			
Cash and cash equivalents	4	5,444,532	3,525,994
Trade and other receivables*	5	3,130,736	1,095,997
Available-for-sale financial assets	7	3,060,444	3,327,391
Total financial assets		11,617,982	7,949,382
Financial Liabilities at amortised cost			
Trade and other payables**	11	925,175	575,889
Total financial liabilities		925,175	575,889

*excludes prepayments

**excludes deferred revenue

The Board is responsible for monitoring and managing the company's compliance with its risk management strategy. The risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies and strategies are approved by the Board and reviewed on a regular basis by the Audit & Risk Management Committee. These include credit risk policies and future cash flow requirements.

The financial assets above include the amount of unspent funds relating to the capital appeal as described in the Capital Reserve. The Capital Reserve amount also includes the investment property as described in note 10.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

18 Financial Risk Management (continued)

	Level 1	Total
	\$	\$
Recurring fair value measurements		
2017		
Financial Assets		
Available-for-sale financial assets		
- shares in listed investments	2,085,344	2,085,344
- government and fixed interest securities	975,100	975,100
	<u>3,060,444</u>	<u>3,060,444</u>
2016		
Financial Assets		
Available-for-sale financial assets		
- shares in listed investments	2,074,523	2,074,523
- government and fixed interest securities	1,252,868	1,252,868
	<u>3,327,391</u>	<u>3,327,391</u>

19 Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, is considered key management personnel.

	2017	2016
	\$	\$
Key Management Personnel Remuneration	<u>452,868</u>	332,383

20 Related Parties

The Directors of Guide Dogs Victoria who were in office during the whole financial year unless otherwise stated are:

C Thompson	
B Porter	
I Edwards	
B Amsden	Passed Away 26 February 2017
D Cochrane	Appointed 26 October 2016
J Gray	
G Houghton	
A Kearns	Appointed 30 November 2016
M Mecurio	
G Williams	Resigned 30 November 2016

Directors received no remuneration for their services.

Guide Dogs Victoria

Notes to the Financial Statements

For the Year Ended 30 June 2017

20 Related Parties (continued)

There were no transactions with Directors or their associated entities during the year which require separate disclosure.

Guide Dogs Victoria is a State Member Association of Royal Guide Dogs Australia.

The following table provides the total amount of transactions that were entered into with related parties other than Directors during the financial year.

Related Party	Sales to		Purchases from		Other transactions from		Owing to		Owing By	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Guide Dogs Queensland	65,164	134,118	-	5,000	44,849	55,864	40	-	-	50,267
Guide Dogs NSW/ACT	8,545	20,620	-	-	6,536	50,154	-	-	-	20,270
Guide Dogs SA/NT	22,769	35,816	16,364	-	11,432	14,223	-	-	22,059	-
Royal Guide Dogs Association of Tasmania	1,403	2,434	-	-	-	732	-	-	1,403	-
Association for the Blind of WA Inc	14,052	48,685	-	-	-	-	-	-	-	6,559
Guide Dogs Australia	152,524	147,224	-	-	-	-	-	-	27,817	11,897
Total	264,456	388,897	16,364	5,000	62,817	120,973	40	-	51,279	89,083

Terms and conditions of transactions with related parties are detailed below:

Transactions between the organisation and its fellow state Member Associations are made at arm's length. Such transactions are both at market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest-free and settlement at between 14 and 60 days.

21 Company Details

The registered office of the company is:

Guide Dogs Victoria
Chandler Highway, Kew, Vic 3101

Guide Dogs Victoria

Directors' Declaration

30 June 2017

The directors of Guide Dogs Victoria (a company limited by guarantee) declare that:

1. The financial statements and notes, as set out on pages 9 to 29, are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director:
Charles Thompson, President



Director:
Bruce Porter, Hon. Treasurer

Dated this 26th day of September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUIDE DOGS VICTORIA

Opinion

We have audited the financial report of Guide Dogs Victoria ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, 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, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We conclude on the appropriateness of the management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

ShineWing Australia

ShineWing Australia
Chartered Accountants

A handwritten signature in cursive script, appearing to read 'H. Underwood'.

Hayley Underwood
Partner

Melbourne, 26 September 2017

Guide Dogs Victoria

Performance Statement
for the Year Ended
30 June 2017



Guide
Dogs
VICTORIA



Guide Dogs Victoria

Performance Statement

30 June 2017

KPI	Actual	Target	Variance %	Note	2015/16 Full year Actual	Variance from Prior year
Service						
Training & Support Programs Delivered	2,891	2,800	3%	1	2,390	21%
Clients assisted	1,886	1,450	30%	2	1,380	37%
Allocation of fully trained Guide Dogs and Pets as Therapy Dogs	45	67	-33%	3	37	22%
Number of guide dog users	214	220	-3%		211	1%
People						
Employee engagement	89%	> 90%	-1%		91%	-2%
Volunteer engagement	95%	> 90%	5%		97%	-2%
Lost Time Injury Frequency rate	0	10	100%	4	16	100%
Finance						
Operating Result	5,670,796	13,074,105	-57%	5	2,687,464	111%
Operating Result Prior to Capital Purpose Income	202,845	(925,895)	122%	6	790,969	-74%
Working Capital Position	10,123,509	17,086,891	-41%	5	6,149,075	65%
Environment						
Water consumption (Volume purchased kl)	3,787	N/a	Nil	7	4,404	14%
Waste water spills	-	-	N/a		-	0%

Guide Dogs Victoria elected in 2015 to include an audited Performance Statement with the annual audited Financial Statement. The Performance Statement includes the results of the internally prescribed service, people, financial and environmental performance indicators and measures and an explanation of material variations in the results.

Where applicable, the results in the audited Performance Statement have been prepared on the accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from Guide Dogs Victoria information.

The Performance Statement presents the actual results for the current year and prior year and the current year targets set by Guide Dogs Victoria's strategic plan.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements.

1. Training & Support Programs Delivered has increased from prior year as predicted. This was due to Guide Dogs Victoria now providing Support Coordination and Occupational Therapy consistently for past 12 months with four new staff in place to deliver those programs.

Guide Dogs Victoria

Performance Statement

30 June 2017

2. Clients assisted has increased from prior year and target due to Guide Dogs Victoria actively promoting new services which includes Support Coordination and a revamped Young Adults program, both attracting new referrals and therefore clients.
3. The number of fully trained Guide Dogs and Pets as Therapy dogs has improved since the previous year but has not reached the ambitious target. The target was not met as Guide Dogs Victoria increased the number of dogs retained for breeding and we also did not achieve the expected pass rate. Subsequently, we will be focusing on targeted intervention earlier in a dogs training in the future years.
4. Lost time injuries decreased from three to nil occurrences during the 2017 financial year. This means we now have had nil lost time incidents for every 1 million employee hours.
5. The variance between budget and actual in regard to the operating result and the working capital position, is mainly due to the delayed timing in receipts from the capital appeal campaign. To date \$11m has been pledged to the campaign so the capital appeal program is largely on track. The variance between the 2016 and 2017 actual is largely due to the \$3.6m additional capital appeal revenue in 2017.
6. The favourable variance between budget and actual operating result prior to capital purpose income is largely due to the significant increase of \$1.1m in gift in will revenue. The variance from prior year to current year is largely due to an increase in operating expenditure in order to increase the capacity to deliver the additional services referred to in note 1 and 2.
7. The 2017 financial year reflects usual water usage. The 2016 usage was unusually high due to the kennels upgrade, including improvements to the surrounding gardens.

Directors' Declaration

30 June 2017

The Directors of Guide Dogs Victoria (a company limited by guarantee) declare that in our opinion the accompanying Performance Statement of Guide Dogs Victoria in respect of the financial year ended 30 June 2017, is presented fairly.

The Performance Statement comprises the performance indicators determined by the Board. We have reported our actual and comparative results achieved for the financial year against predetermined performance targets and these indicators. We have reported an explanation of any significant variance between the actual results and the performance targets and/or between the actual results in the current year and the previous year.

At the date of signing, we are not aware of any circumstances which would render any particulars in the Performance Statement to be misleading or inaccurate.

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



Director:

Charles Thompson, President



Director:

Bruce Porter, Hon. Treasurer

Dated this 26th day of September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUIDE DOGS VICTORIA LIMITED

The Performance Report

The accompanying performance report for the year ended 30 June 2017 of Guide Dogs Victoria Limited which comprises the performance report, the related notes and the directors' declaration has been audited.

The Directors' Responsibility for the Performance Report

The directors are responsible for the preparation and fair presentation of the performance report and such internal control as the directors determine is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Guide Dogs Victoria Limited, would be in the same terms if given to the directors as at the time of the auditor's report.



Opinion

In our opinion the performance report of Guide Dogs Victoria Limited in respect of the 30 June 2017 financial year is fairly stated.

ShineWing Australia

ShineWing Australia
Chartered Accountants

A handwritten signature in cursive script, appearing to read 'H Underwood'.

Hayley Underwood
Partner

Melbourne, 26 September 2017



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