



Guide Dogs  
Victoria

2012

# Annual Report



# Annual Report

## Contents

- 4 Vision and Values
- 5 Guide Dogs Victoria Patrons
- 6 President's Report
- 7 Chief Executive Officer Report
- 8 Strategic Focus
- 10 The Road Ahead
- 11 Advocacy & Collaboration
- 12 Guide Dog Operations
- 14 Guide Dog Training and Mobility
- 16 Children's Mobility Service
- 18 Adult Mobility Service
- 20 International Guide Dog Services
- 22 People and Culture
- 24 Marketing and Fundraising
- 26 Our Supporters
- 28 Financial Report





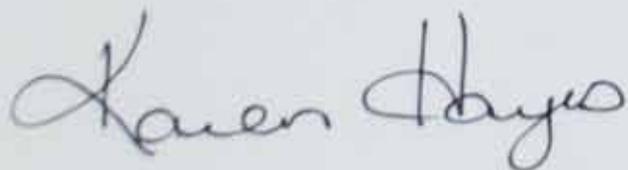
### Vision:

Provide high quality mobility training and support to every blind and vision impaired Victorian who needs assistance to achieve their maximum independence.

### Values:

Guide Dogs Victoria is committed to a set of values that underpin all that we do.

- Service Focus
- Honesty and Integrity
- Success Through People
- Professional Excellence
- Mutual Respect and Trust
- Accountability and Transparency



*Karen Hayes*

# Guide Dogs Victoria Patrons

## Patron

The Honourable Alex Chernov AC QC

Governor of Victoria

## Vice Patrons

Betty Amsden OAM

Gordon Duxbury OAM

## Message from the Governor of Victoria

### Patron Guide Dogs Victoria

For over half a century, Guide Dogs Victoria has been providing essential services and enhancing the lives of the blind or vision impaired communities in Melbourne and regional areas. The support provided by Guide Dogs Victoria assists clients to live independently and to actively participate in their communities.

Guide Dogs Victoria has become a familiar part of Victorian life and Victorians across the state are familiar with the various aspects of its work, in particular the Puppy Raising and Guide Dog Program. However, the organisation's work extends far beyond these two programs to include other mobility services, training and research, alternative therapies, as well as emotional and social support. I have experienced first-hand the impact that these support mechanisms can give young and old people alike. They significantly alter the lives of the vision impaired in unimaginable ways, contributing positively to their independence and general emotional wellbeing.

None of this work would be possible without the dedicated and committed staff, led competently by Chief Executive Officer Karen Hayes. I congratulate Guide Dogs Victoria on another successful year. As Patron, I have no hesitation in continuing to promote the excellent work of Guide Dogs Victoria to the wider Victorian community.



The Honourable Alex Chernov AC QC

Governor of Victoria

# President's Report

The increase in demand for our range of high quality services provided to children and adults in Victoria who are blind or vision impaired was again evident in FY2011/12. During this period, our committed team of professional staff responded by servicing a record number of clients and programs.

While we increased the number of clients serviced and programs delivered, the state of the economy impacted on our fundraising which resulted in the financial year finishing with a deficit of \$332,000.

During FY2011/12, more than 1,600 clients accessed services from Guide Dogs Victoria, around a 5% increase on the previous year. It is important to recognize that we not only provide guide dog mobility services but our services cover:

- Children's Mobility
- Acquired Brain Injury Mobility
- Orientation and Mobility
- Occupational Therapy.

In relation to our guide dog mobility services, 50 guide dogs, pets as therapy and companion dogs were provided to Victorians, with the achievement of a record number of 197 working guide dogs teams.

To meet the increasing demand for services required by those who are blind or vision impaired, the challenge remains for our organization to operate in a cost effective and collaborative manner, and maximize our revenues to finance the additional costs of providing those critical services.

Our immediate aim for FY2012/13 is to deliver our outputs and financial targets while establishing a solid foundation to build on for the future.

In September 2012, we were saddened with the passing of Murray Walker (our long standing past Director and President) and Keith Holdsworth OBE (a key founding staff member who provided distinguished service for blind welfare both nationally and internationally). Our thoughts are with Murray and Keith's families who should be proud of the significant contribution they both made to Guide Dogs Victoria.

Finally, I would like to express my deep appreciation of the efforts of my fellow Board members, Karen Hayes and our dedicated team of professional staff covering all aspects of our operations. The achievement of our outcomes is also very dependent on the significant contribution made by our large group of passionate volunteers, our generous donors, bequestors and other supporters.

On behalf of the board, I would like to thank you all for your significant contribution which enables us to provide our range of high quality services to children and adults in Victoria who are blind or vision impaired.

**Russell A Walker**  
President

**“Our immediate aim for FY2012/13 is to deliver our outputs and financial targets while establishing a solid foundation to build on for the future.”**



# Chief Executive Officer Report

In November 2011, when I came into the role as CEO of one of Victoria's most iconic brands, Guide Dogs Victoria, I knew that I would be leading a truly exceptional organisation. I knew that, together with an outstanding team, I would have the opportunity to build on a solid foundation, established over 54 years, to take the organisation into the next phase of its evolution. I have not been disappointed.

With a theme of "Taking the Lead" across all that we do at Guide Dogs Victoria we have undertaken considerable change during the past year. The introduction of a leadership team that brings a combination of not-for-profit, commercial and corporate skills has allowed us to undertake a major review of our infrastructure with a view to streamlining our business processes and rationalising business services to introduce a range of efficiencies across the organisation. We have restructured to align to the delivery of the Strategic Plan and have outsourced non-core business processes such as payroll and some IT services.

A very difficult decision for us was the closure of the Centre for Vision Independence (CVI). CVI had a proud 6 year history with Guide Dogs Victoria, delivering superior low vision services to Victorians. Unfortunately, this model was

not financially sustainable and we will be looking for ways to re-establish this service, without incremental cost, during FY2012/13.

I am continually in awe of the amazing work our very talented team do to support many thousands of Victorians each year, from children as young as 3 to adults in their nineties. To see the difference this makes to so many lives and how much, as a sighted person, we take for granted is truly inspirational.

A highlight for me since coming on board has been the opportunity to attend a number of our children's camps and to spend time with some extremely inspirational young people. To talk to them about their experiences, their challenges and their hopes for the future has been extremely insightful. To see the work that our teams do to assist these young people to prepare for their future, through the unique nature of the approach they apply to delivering our services gives me a great deal of pride.

From a financial perspective, the not for profit sector has been impacted severely by the prevailing economic conditions. In our case, we saw fundraising revenue down on the prior year. Through careful and responsible cost control however, we managed to complete the year with an operating deficit of \$332,000, without reduction of core services.

The current uncertainty of the economic climate means that funding options and a broadening of our revenue streams will be a key focus in the year ahead. We will be looking at how we can be innovative in terms of partnering and collaborating more with like-minded organisations to provide a greater depth and breadth to our offerings.

We would not be able to do all that we do without the incredible support of our very passionate volunteers. 451 volunteers, excluding our puppy raisers, have collectively contributed over 8658 hours, providing invaluable support to the work we do. In addition to this we are very reliant on our donors, bequestors and sponsors who continue to provide financial support. To all of these wonderful supporters, we extend our heartfelt thanks for your contribution to ensuring that we can continue to make a difference in the lives of thousands of Victorians.

I am extremely proud to be leading this great team and I aim to continue to build on our strong history of quality delivery to take Guide Dogs Victoria into the next phase of its growth and to further strengthen the relationships we have built with our donors, partners, clients, and supporters.



**Karen Hayes**

**Chief Executive Officer**



2011-2012

# Strategic Focus

Over FY2011/12, the strategic focus for Guide Dogs Victoria was to:

## 1. Provide high quality client services

- In FY2011/12, Guide Dogs Victoria provided services to 1,614 clients and delivered nearly 21,400 program hours across our Acquired Brain Injury and Adult & Child Mobility services, an increase of 5% on the prior year.
- In FY2012/13, we will be introducing client satisfaction surveys, to confirm the suitability and success of services provided, and to provide a benchmark from which ongoing improvement can be measured.

## 2. Deliver high quality Guide Dogs

- We provided Guide Dog services to 275 clients in FY2011/12, an increase of 8%. Importantly, we delivered nearly 6,400 program hours which represented an increase of 32% on the prior year.

## 3. Maximise our fundraising and marketing

- It has been widely reported that the not-for-profit sector has seen a decline in philanthropic contributions since the global financial crisis. While this phenomenon has impacted Guide Dogs Victoria, we largely mitigated this through cost control and prudent decisions regarding certain fund raising activities.
- Despite the poor economic climate noted, fundraising contributed over \$6.7 million to the running of our client programs.
- The Marketing and Fundraising department has been restructured under the leadership of Shannon Anderson, who was appointed General Manager – Marketing and Fundraising in January 2012. The restructure is designed to facilitate new fundraising streams such as corporate relations, a more targeted approach to special events, an improved success rate with specific purpose submissions and improved relationships with the donor community generally.

## 4. Nurture our staff and volunteers

- During the year, Jo Stavrou was appointed to the position of General Manager – People and Culture. Under Jo's stewardship, our comprehensive business plan has been cascaded through the organisation in the form of strategic objectives. Employees have a clear understanding of how their role contributes to the broader strategic direction of Guide Dogs Victoria, and feel engaged & empowered to succeed.

## 5. Strengthen our financial position and business processes

- As already noted, the economic climate has been challenging for the not-for-profit sector broadly. Despite these conditions, we closed the year favourable to budget, with a net deficit of \$332,000. While this compares unfavourably to the FY2010/11 deficit of \$13,994, the reduction is explained by fundraising, which contributed around \$440,000 less in FY2011/12 than in FY2010/11.
- Guide Dogs Victoria has taken a number of strategic decisions to improve efficiency and strengthen the financial position of the organisation for the future, including:
  - Restructuring to consolidate administrative efforts across telemarketing and corporate services
  - Consolidating printing costs with one provider, following a comprehensive tender process
  - Restructuring the provision of low vision services, including the closure of a clinic in East Melbourne, The Centre for Vision Independence
  - Outsourcing of non-core activities (payroll and some IT)
  - Overall, reducing Full Time Equivalent staffing levels by 13, with no reduction in service levels

While a number of difficult decisions have been taken, Guide Dogs Victoria enters the new financial year in a stronger financial position as a result, and is well placed for the future.



Guide Dogs Victoria provided services to 1,614 clients across our Acquired Brain Injury and Adult and Children Mobility Services.



8658 Volunteer hours worked (not including puppy raising hours)



Despite the poor economic climate, fundraising contributed over \$6.7 million to the running of our client programs.



275 Clients were provided with Guide Dog Services. An increase of 8%

# The Road Ahead

In anticipating our future needs and determining how we maintain our reputation as the leading provider of client and guide dog services in this sector, we have developed a detailed business plan, with input from employees across all areas of the organisation.

Our Business Plan prioritises those activities necessary to deliver our 5 Strategic Objectives:-

- Provide High Quality Client Services
- Delivery High Quality Guide Dogs
- Maximise our fundraising and marketing
- Nurture our staff and volunteers
- Strengthen our financial position and business processes.

Our focus in the year ahead will be on developing our services such that they continue to be relevant, accessible and affordable and that Victorian public awareness in terms of the breadth of our service offerings is well understood.

In order for our services to be accessible to all those requiring our support they are delivered at no cost to the Client and with minimal Government funding. We therefore rely heavily on the generous support of our fellow Victorians. Our greatest challenge is that of continuing to fund the work we do to support what is a rapidly growing need in our community.

We will therefore be looking to build incremental and more predictable revenue streams through product endorsements, online sales and telemarketing initiatives. These will complement our current fundraising programs and will ensure the ongoing financial sustainability of the organisation.

Significant change in the health and social care landscape, together with the expected increase in the demand for eye care services resulting from an ageing population, requires us to look differently at how the future health needs of the Victorian community will be met.

There are approximately 200,000 blind or vision impaired people living in Victoria today. Due to the ageing population, and the fact that four of the top five causes of vision impairment (macular degeneration, glaucoma, cataract, diabetic retinal disease) directly correlate with the ageing process, it is predicted that this will increase to over 350,000 by 2020. (Access Economics 'Clear Focus (2009)' Report for Vision2020 Australia, 2010.)

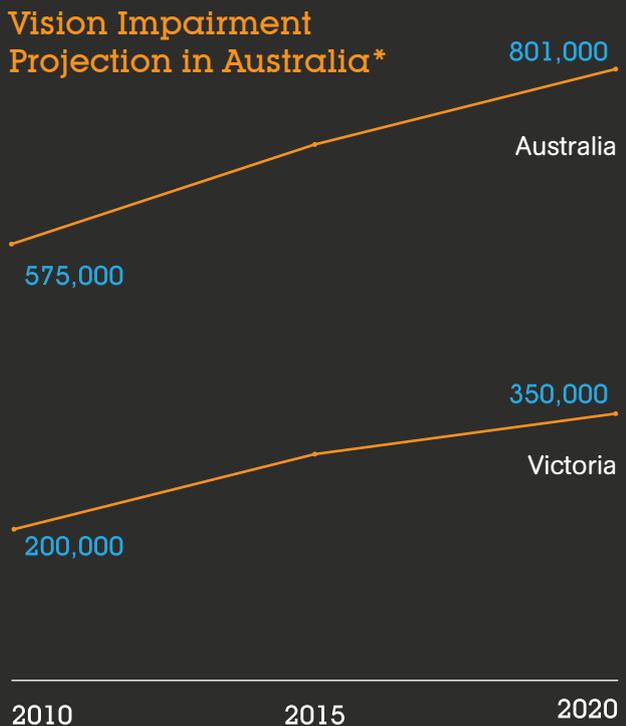
In tackling the challenge of servicing this increased need, we must be mindful of the fact that no one organisation or professional body can fully deliver services in any one area and collaboration is therefore essential.

Establishing collaborative partnerships with other key service providers in the sector, to ensure that those with vision needs have access to quality, timely and affordable services will be essential to meeting future community demand for services.

In conjunction with The Victorian Eye and Ear Hospital, Vision Australia, the Australian College of Optometry and Vision 2020 Australia we have established the "Victorian Vision Collaborative". Together we will work towards leveraging our core strengths to improve the client experience and outcomes and to more effectively deliver our services. Our core strengths are, of course, the provision of high quality guide dogs and orientation and mobility services for children, adults and those affected by acquired brain injury.

Our reputation as having one of the best breeding programs in the world, together with our unique, tailored approach to service delivery, at an individual level, requires that we continue to retain and have access to the best possible resources. We will continue to invest in the development of our people to ensure the currency of their skills and to remain in the forefront of service provision.

As the vision landscape changes we will continue to explore avenues for collaboration, innovation and co-operation to ensure that our clients' experience leads to the best possible outcomes for their independence and mobility.



\*Access Economics 'Clear Focus (2009)' Report for Vision2020 Australia, 2010



# Advocacy & Collaboration

Guide Dogs Victoria is taking a proactive position in relation to advocacy for key issues that affect our clients. Guide Dogs Victoria has representation on the following organisations/committees:

- Taxi Directorate
- Australian Blindness Forum
- Vision 2020 Low Vision and Rehabilitation Committee
- Vision 2020 Prevention and Early Intervention Committee
- Peninsula Health Disability Committee

Due to the ageing population, macular degeneration and diabetes related diseases will exponentially increase demand for services in the vision impairment sector. There is a compelling driver for all service providers to work collaboratively to ensure community need can be adequately met.

A Victorian Vision Collaborative group has been established in 2012 with Guide Dogs Victoria taking a prominent role in driving sector collaboration. Membership includes Guide Dogs Victoria, The Eye and Ear Hospital, Vision Australia, the Australian College of Optometry and Vision 2020. This newly formed group has formed to leverage the strengths of all sector service providers ensuring that the depth and breadth of services meets the growing eye care needs in the Victorian Community.



The key areas for collaboration include:

- Clinical pathways/service delivery
- Having one voice on promotion, profiling, public messaging, public access and advocacy.
- Effective resource management
- Research
- Education

# Guide Dog Operations

## Breeding

Recognised as one of the five leading Guide Dog breeders in the world, Guide Dogs Victoria offers an internationally renowned standard of Guide Dogs as a result of our world class breeding, puppy raising and training programs.

Our breeding program has been continually refined since 1965 and all our puppies are bred to inherit the characteristics they need for the extraordinary demands of Guide Dog work. Our breeding stock are of such a high standard that they themselves would be assessed as being suitable for Guide Dog training.

This year, the Breeding Centre at Guide Dogs Victoria welcomed 146 puppies into the world, comprising 21 healthy litters. From this number, 16 puppies were sent to other Guide Dogs Australia schools, and two were transferred to the puppy development program in Taiwan.

## Kennels & Vet Services

The Training Kennel and Vet Clinic department ensures the safety, temperamental and physical wellbeing of our dogs housed in the on-campus kennels throughout the year. Our dedicated team of employees and volunteers remain as committed as ever to providing high quality care to all of our puppies and dogs.

With 146 puppies born in our breeding centre this year, we have a lot of hungry mouths to feed. Keeping our dogs in optimal condition throughout their life is a key part in raising them to become working Guide Dogs.

We are very fortunate to have the ongoing support of ADVANCE which provides high quality super-premium dog food made in Australia. It is ideal for our growing Guide Dogs, from birth to adulthood. ADVANCE supplies us with the right food for every stage of our dogs' development. Thank you ADVANCE for your continued support.

## Raising

Puppy Raisers are volunteers who dedicate a year of their time to support the growth and development of our young puppies. Guide Dogs Victoria could not achieve its goals without the support of these dedicated people, some of whom have been Puppy Raisers for years. The personal level of their commitment is certainly recognised, as is the hardship they experience when it is time to return the puppy to Guide Dogs Victoria.

Guide Dogs Victoria had 162 puppies enter the puppy raising program in FY2011/12, and we embark on the FY2012/2013 with 142 dedicated puppy raising individuals and families.

This year our hard working Puppy Development Advisors conducted 98 puppy classes and workshops, made 1,052 visits to Puppy Raising homes and interviewed 97 prospective new families to join the program as volunteers. Classes this year included visits to the Collingwood Children's Farm, train trips and tram rides not only to suburban centres, but also in the heart of the city of Melbourne.

We look forward to another successful year of providing a world class socialization program. Our puppies are given every opportunity to ensure they become confident Guide Dogs to support more vision impaired clients.

## Dog Welfare

Dog welfare is paramount to Guide Dogs Victoria and we are continually looking for ways to improve our practices to ensure that the health and wellbeing of our valuable Guide Dogs is maintained at optimal standards. In FY2011/12 we introduced improved procedures and protocols with respect to dog hygiene, disease management and health.

In FY2011/12 our vet clinic staff have been trained in basic diagnostic techniques for early detection of a range of infections. Earlier diagnosis ensures we can start targeted treatment earlier, which then contributes to the improved overall health of each dog.





275 Clients assisted

35 Graduate Guide Dogs  
in FY2011/12

197 Current Victorian  
Guide Dog users



# Guide Dog Training and Mobility

A Guide Dog offers a dynamic form of independent mobility, safely guiding their handler wherever they need to go. Guide Dog Mobility enables the handler to walk freely and feel confident knowing their Guide Dog will not only recognise obstacles in their path but guide safely around them.

Approximately fifty per cent of dogs pass the assessment and begin an intensive 20 week Guide Dog training program. This year, Guide Dogs Victoria partnered 35 fully trained Guide Dogs with their new vision impaired owners and ended the financial year with 14 clients on the waiting list. We have again exceeded expectations and now have a record number of working Guide Dog teams in Victoria, with 197 partnerships (up from 187 in FY2010/11).

In addition, there were 15 dogs placed as assistance dogs through our Pets as Therapy and Companion Dog programs. An additional 17 dogs were sent to Guide Dog schools nationally and internationally to assist the development of other schools within the International Guide Dog Federation.



# Children's Mobility Service

Guide Dogs Victoria continues to provide specialised Orientation & Mobility (O&M) and Occupational Therapy (OT) training for blind or vision impaired children through its Children's Mobility Service (CMS).

The instructors liaise closely with parents and carers throughout the course of each program and encourage their input as it is a vital component of successful O&M programs for children. The CMS team places a great deal of emphasis on developing relationships with parents and families to enhance program outcomes and would like to thank them for the wonderful support they have provided our programs.

## Camps

Camps are always a highlight of the Children's Mobility Service schedule. Throughout the year a number of camp programs are run that provide an opportunity for students to come together to learn more about safe and independent travel. Learning together and meeting other students who have vision impairment are important aspects of the programs.

This year, the CMS team ran two junior camps, each with its own focus. The first camp was themed, 'Shop til You Drop', which explored mobility concepts related to shopping. The second camp, 'By Road and Rail,' explored alternative transport options.

Senior camps were also held based on planning travel options and exploring new environments, particularly around the CBD and Halls Gap. Students aged 16 to 19 had the opportunity to go to Sydney to experience a week long program centred on organising travel, budgets and activities.

## Fostering Relationships

We have further extended our relationship with the Department of Education by sending one of our instructors every week to teach the O&M component of the Support Skills program at the Statewide Vision Resource Centre (SVRC). This program offers intensive support to over 60 vision impaired or blind students from around Victoria.



385 Referrals

539 Completed training and support programs

176 New clients assisted

“It’s fun to make new friends that are vision impaired like you. It’s good to find out about other kids’ vision impairments and their stories. At school camps it’s really busy. Here we get time to relax and talk to each other and we all help each other.” - Aaron

## Quotes from past camps by students and parents

“On Monday she was not sure if she wanted to be on the camp, but by Wednesday she had made a few friends and by Friday she didn’t want to come home.” - Parent

“On school camps I can be involved in some activities but here I can do everything.” - Josh

“Camps like these help people - who think they are alone - to connect. A lot of us realised that we are not alone and we have formed strong relationships. It should be called a connection camp.” - Alex

“It’s good because you make friendships with people who understand and treat us normal. CMS camps are more flexible than school camps and you can choose what you like to do.” - Jack

# Adult Mobility Service

The Adult Mobility Service department now covers all programs and training courses concerning Orientation & Mobility, Occupational Therapy and Acquired Brain Injury. Guide Dogs Victoria's approach is unique in comparison to other service providers. Our programs are individually tailored to address each person's needs, ranging from one session to several weeks of training depending on individual client requirements.

The Adult Mobility Service ran a number of successful camps and programs this year for its blind and vision impaired clients including:

## Self Defence program

This program focussed on helping clients avoid dangerous situations and learn how to diffuse a confrontation. As our clients often travel alone, many of them feel vulnerable, and so were able to gain a great deal of confidence from this program.

## Lakes Entrance camp

This was a four day program run in the regional area of Lakes Entrance. Not knowing the area, our clients' mobility skills were really tested as they explored their new surroundings. Also by being away from home, each of them had to organize their own shopping and meals. This challenged their planning and organizational skills.

## Culinary Capers

A three day program run in Melbourne's CBD, this program was centred on cooking. Clients attended cooking classes before having to plan their own dinner party. This really tested everyone as they had to search for ingredients in the busy Victoria Market, plan and cook their meal and be ready at a specific time to host the dinner.

## Licola camp

The theme for Camp Licola was 'Adapting the unpredictable' and it was held at the Licola Wilderness Village. The camp provided an opportunity for each participant to develop and explore their own mobility skills and independent living skills in unfamiliar surroundings.

## International Mobility Conference 14 - New Zealand

One of our very experienced instructors, Vicki de Silva presented a paper she had written to the International Mobility Conference 14 in New Zealand this year. The paper was titled, 'Positive outcomes for clients via inter agency collaboration' and revealed some of our successful outcomes achieved due to such collaborations. These outcomes include an upgrade to bus bays at the Dandenong Bus Interchange at Dandenong Train Station; the Department of Transport facilitating paid sessions for its staff to participate in our 'Walking in the shoes of other's program; and Guide Dogs Victoria and Vision Australia working together to provide Client and O&M assistance to a totally blind refugee who did not speak any English.





2149  
Completed  
training  
and support  
programs

1305 Clients  
assisted

23,488  
Contact,  
Support and  
Travel hours





# International Guide Dog Services

Guide Dogs Victoria is a member of the International Guide Dog Federation and continues to take a leadership responsibility in supporting other Guide Dog Schools.

Guide Dogs Victoria provided support through the provision of puppies and adult untrained dogs to partner Guide Dog Schools in Japan and Taiwan on an at cost basis. This international good citizenship was greatly appreciated by the recipient organisations and has either provided help during their formative years or assisted shortfalls of dogs being available. The waiting times in these schools can be measured in years rather than months but progress is continually being achieved.

Guide Dog Victoria's thirty five year partnership with the Eye of the Pacific Guide Dog Foundation in Hawaii also continued with the provision of a Guide Dog Client / Dog program to Jay K. and Zandria in the Kew Training Centres, Arnold Cook House and with local follow up in Honolulu on a fee for service basis.

Guide Dog Services Advisor, John Gosling as the International Guide Dog Federation Board / Development Committee Liaison has been involved with the support of new Guide Dog organisations in Uruguay, Brazil, Costa Rica, Barbados, Greece, Turkey, Hong Kong, Malaysia, Serbia and Slovenia to name just some of the countries exploring the possibility of Guide Dog Services and the independent mobility provided to people who are blind or visually impaired worldwide.

John will attend an International Guide Dog Federation Board meeting in Tokyo this November the host nation of the 2014 IGDF Seminar.



# People & Culture

In FY2011/12 there was considerable transformation across the Guide Dogs Victoria organisation with significant changes including the appointment of a new senior leadership team as well as a realignment of our organisation structure to support our business plan and set up a platform for future success.

A number of key People and Culture Initiatives were introduced during this period of time including:

- Involving all of our employees in a strength, weaknesses, opportunities and threat (SWOT) analysis which formed the basis of our business planning;
- Undertaking a formal Employee Engagement Survey in December 2011;
- Introduction of the Taking the Lead Employee Education Series – short professional development sessions open to all employees; and
- Redesigning our Performance Appraisal Process

The results of the Employee Engagement Survey indicate that there is an:

- Overall satisfaction rating of greater than 70% and that
- Employee's pride in working at GDV is greater than 90%.

Our target for FY2013 is an overall satisfaction rating of greater than 80% and pride in working at GDV at greater than 95%. We will also be working to extend our Engagement Survey more broadly to our volunteers, to capture their voice in what it is like working at GDV.

Another major initiative over the course of the year was relaunching GDV's Values and Behaviours. The Values were consolidated into a number of key headings:

- Honesty and Integrity
- Mutual Respect and Trust
- Service Focussed
- Success Through People
- Professional Excellence
- Accountability and Transparency

Over the course of the coming months, we will be involving all of our employees in defining the behaviours that support these values and engaging our employees in designing the symbolic logos which will be attached to each value. The new Performance Appraisal Process will also include an opportunity for our staff members to discuss how they are performing to our Values. We will also engage with our Volunteers in rolling out our Values and Behaviours to ensure that they continue to have an ongoing connection with our organisation in accordance with our Culture.

There are a number of significant projects on the People and Culture agenda for FY2012/2013.

## Occupational Health and Safety

Our key focus is:

- Implementing a robust OHS Management System to AS4840 Standards;
- Augmenting our hazard management and hazard control systems;
- Enhancing our OHS metrics so that we can more effectively measure safety improvement as well as address risk in a more systematic approach; and
- Creating a strong safety culture through leadership development and consultation with our employees and volunteers.

## Organisational Development

Our key focus is:

- Implementing a mentoring program for our newly appointed people leaders and our high potential talent;
- Focusing development on our breeding and kennel staff in line with the Australian Qualifications Framework (AQF); and
- Ensuring professional development is aligned with both organisational goals, and our employees career aspirations.

## Policies and Procedures

Finally, our key focus is:

- Relaunching our People and Culture Policies to ensure that our people practices are contemporary, and that we continue to be able to attract and retain a high calibre workforce as a NFP Employer of Choice.

## Our Volunteers

Our programs and services were supported throughout the year by a highly valued workforce of 451 volunteers. Our volunteers work in many parts of our organisation including our Breeding Centre, Kennels, Puppy Raising, Tours, Gardening & Maintenance and Administration.

Over the past twelve months, 8658 volunteer work hours were completed by our volunteers in support of our programs and services.





# Marketing & Fundraising

## Overview

FY2011/12 has been a year of consolidation for the Guide Dogs Victoria Marketing & Fundraising Team. This has included a review of the existing fundraising program offerings with a focus on continuous improvement, efficiency and cost reductions.

Key activities completed have included:

- Development of a new website with an improved content management system, navigation pathways and e-commerce functionality.
- Conduct of a print/mail house tender for centralised ordering, brand controls and cost efficiencies.
- Redevelopment of the Puppy Sponsorship and Puppy Pals Regular Giving programs to ensure greater clarity regarding supporter benefits.
- Conduct of a Donor Engagement Survey which was completed by 2,300 people from our supporter base.

Throughout the year, we conducted four targeted direct mail campaigns which included Autumn, Tax, Spring and Christmas Appeals. A total of \$912,088 was raised through these activities. We raised a further \$351,175 from the distribution of our Guide Dog Tales newsletters and our February/March 2012 Donor Survey.

## Events

Our annual events held in FY2011/12 included two Puppy Sponsorship Functions in August 2011 and January 2012, Donor Relations functions in Geelong, Ballarat and Rosebud and Guide Dog Graduation Day in November 2011.

The highlight event for FY2011/12, was a visit and tour of Guide Dogs Victoria by our Patron The Honourable Alex Chernov AC QC and Mrs Chernov on 23rd March 2012.

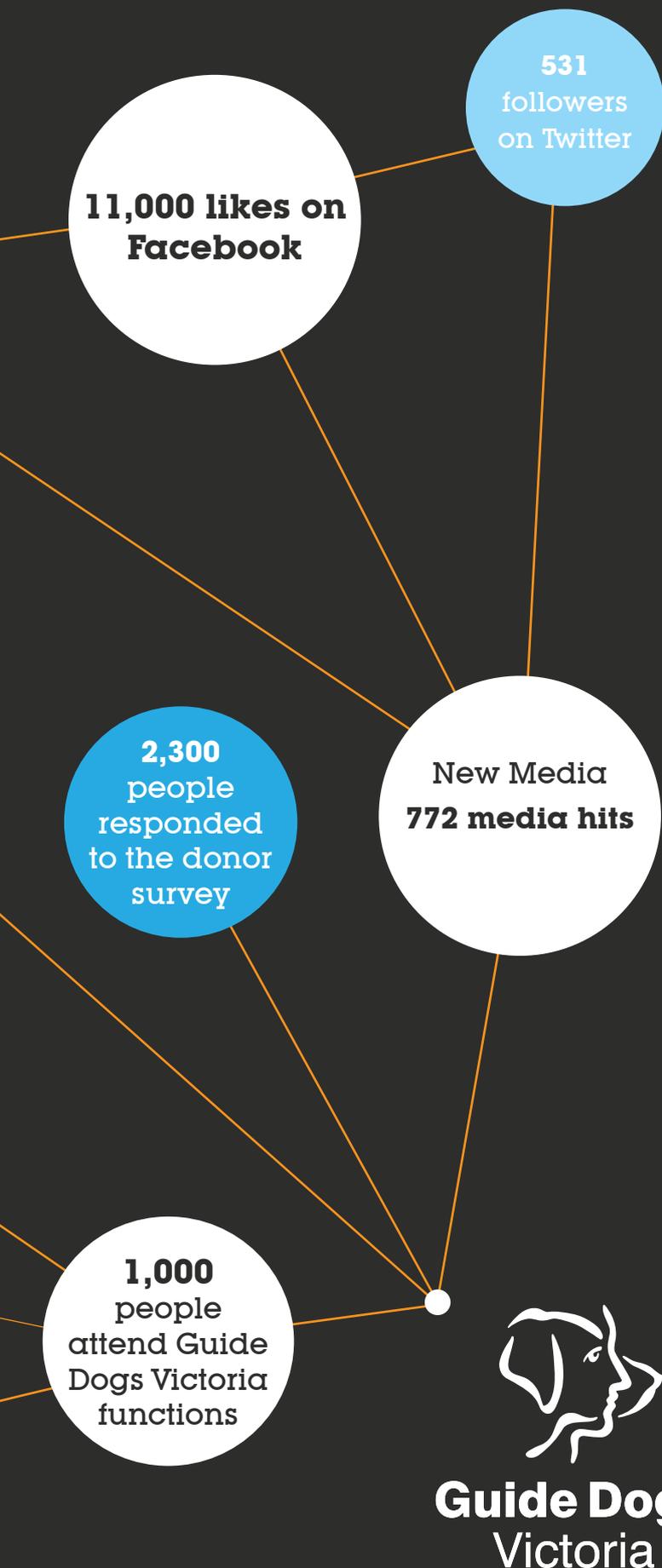
## Media

Guide Dogs Victoria has continued to successfully achieve media coverage through mediums including television, print and online. Guide Dogs Victoria has proactively sought to broaden its media engagement strategy to include client advocacy issues, whilst also continuing to successfully obtain coverage of client and guide dog stories and organisational initiatives.

One of the media highlights for the year was the Channel Nine TODAY Show filming its weather segments live from the Guide Dogs Victoria Campus in Kew in April 2012.

In FY2011/12 Guide Dogs Victoria also directed additional work effort into the utilisation of social media platforms including Facebook and Twitter. Facebook in particular is proving to be a good medium for Guide Dogs Victoria. We





have now attracted more than 10,000 followers and are posting new content every couple of days.

Guide Dogs Victoria will continue to look at innovative ways to broaden our marketing and communications in the year ahead, whilst continually measuring the impact and reach of any organisational digital/social media activity.

### **RACV Community Partnership**

RACV has long been a supporter of Guide Dogs Victoria, and in 2012 sponsored the Children's Mobility Service (CMS) Camps for the second consecutive year. These group programs enable children to participate in activities with their peers to improve their mobility skills, and boost their confidence and self-esteem. RACV has various community partnerships with selected not for profit organisations, offering financial support for each organisation to run programs that benefit Victorians.

Earlier this year, RACV staff volunteered at one of the CMS camps in the city of Melbourne. Debbie Miles, Learning and Development Consultant, was involved in a day trip to the Queen Victoria Market with some of the children and instructors. She says, "I found the experience a real opportunity to learn more about Guide Dogs Victoria. I have always admired the work they do and wanted to get involved. The people involved in running the camp do an amazing job and the participant's were just fantastic".

RACV's Community Partnerships are designed to assist community groups, such as ours, to deliver specific programs that benefit Victorians. Heather Shanhun, Community Relations and Heritage Manager, says "The ability to provide programs that deliver essential life skills is admirable, whilst giving children the opportunity to make new friends and have fun".

The funding from RACV will enable the Children's Mobility Service to conduct two junior and three senior camps across metropolitan and regional Victoria this year. Without the support of such organisations, Guide Dogs Victoria would not be able to offer many of these programs to vision impaired children and create opportunities for learning day to day skills for independence.

### **Looking Ahead**

In FY2012/13, we will streamline our marketing and fundraising activities to ensure that all work effort is directly linked to the organisational strategic objectives and that we continue to effectively connect and engage with our stakeholders and supporters.

# Our Supporters

## Estates

Francis Samuel Abrahams

James Alford

Keith Amos

Lorraine Attwater

Leonard Baxter

Beryl L Beach

Ruby Bird

Walter Murray JohnBloomfield

Dorothy Bridges

Margaret Brooke

Linda Brown

Esther Brownlaw

Beatrice E Burke

Rosemary Major Campbell

Irene Carpenter

Shirley Casey

Beverley Estelle Chambers

Bertha Clark

Gordon Compton

Laurie Cook

Thomas James Cram

E Curwen-Walker

Marie De Bavay

Moyra Digby

Ian William Dodd

Brenda Donald

Sylvia Mary Dungan

Elizabeth Evelyn Ellis

Bernard Arnold Fletcher

Betty Ford

Ian Fraser

Helen Gadsden

Joyce Margaret Games

Ronald Gibb

Ilse Goldschmidt

Myrtle Gladys Golledge

Coral Haines

Marjorie Louisa Hayes

Oswald Hearne

Mildred Nish Heilman

Margaret Herring

Dorothy Higgins

Amelia Eliza Holland

Daniel Horozanskyj

Joyce Howard-Merrison

Barbara Bridget Iles

Elizabeth Irwin

Florence Jean Jeffrey

Mary Veronica Jones

Alfred Karklins

Edith Grace Kemp

Daisy Kirby

Eden Litchfield

Pauline M Lochner

Lorraine Lowe

Phyllis Mackennal

Frank Mansell

Sheila Marshall

Kenneth McDonald Martin

Joseph Mason

Bon Masters

Annie Gladys Matthews

Kenneth Thomas McLean

Ted McLendon

Andrew Meiliunas

Gwenneth Elsie Miller

Yvonne Pettengell

Jean Isobel Phillips

Victor Russ Pittman

Lola Poynton

Rose Myrtle Pratt

Anne Raymond

Valda Rhodes

Helen Ridley

Moya Robinson

Edath May Rogers

Mary Seed

Albert Raymond Shaw

William Shipperlee

Agnes Smith

Ruth Swanson

Charles Thompson

G Turner

Russell Herbert Vontom

Lewis Edward Walker

Irene Watkin

M B White

Shiela Phyllis Wicker

M Wilkins

Ada Withers

Willy Wong

Keith Yardy

## Visionaries

Amsden OAM, Betty  
Bain, Peter  
Barradell, Joan  
Bates, John & Lorraine  
Blair, Ross  
Bousfield, Brian  
Braslis, Karl  
Burgess , Edith  
Burrows, Robin & Carolyn  
Calder, Winifred  
Cameron, Beverley  
Clarkson, Noel  
Collins, Mark  
Davidson, David & Pat  
Dishon, Noel  
Edwards, Roy S  
Evans, T  
Graham , Trevor  
Hadges, Jean  
Hastings, Norm & Carol  
Hogg, Russell J  
Jones, Marie  
Justice, Robert M  
Kearney, Brian & Wendy  
Limb Family Foundation  
Lowell, Kim  
Marsh, Irene  
Matheson, Alan  
McCallum, Christine  
Patricia McIntyre Foundation  
Morgan , David  
Moth, Jacqueline  
Nance, Cynthia  
Newman, Valerie

Petrie, Michael & Angela  
Prowse, Anthony  
Ross AM, Margaret S  
Rusden, Merron  
Russell, Liz  
Smith, June  
Smith, Neville A  
Stradwick, Richard & Elaine  
Taig, Betsy  
Teele Family Foundation  
Tisdall, Gwenda  
Tulloch, James  
Turnbull, Christopher  
Turner, Margaret  
Watson, Jim & Lynn  
Whyte, Arthur  
Wing, Geoff  
Wucherpennig, G

## Guide Dogs Australia Corporate Partners

ADVANCE  
Coles  
Deloitte  
Kleenex  
Ritchies  
Woolworths

## Guide Dogs Victoria Corporate Partners/ Sponsors

Jim's Dog Wash  
RACV Community Partnerships

## Guide Dog Sponsorship - \$5,000 and above

AIS Insurance  
John & Lorraine Bates  
Ruth Collins  
John W Downer  
Di Fincher  
Deloitte Foundation  
Lynee Eitze  
Anne Foote  
GHD  
Horsham Guide Dog Auxiliary  
Lander & Rogers  
Richard & Rosemary Raw  
Margaret Ross  
Maria Simmons  
Michael Vitale  
Yarra Guide Dog Auxiliary

## Key Promotional Partners

Leader Community Newspapers

# Thank You.

**Guide Dogs Victoria would like to thank its many supporters, including donors, volunteers, puppy raisers, staff and sponsors, for their valued contribution and hard work.**



# Financial Report Contents

29	Board Members
31	Treasurer's Report
32	Director's Report
34	Auditor's Independence Declaration
34	Director's Declaration
35	Statement of Comprehensive Income
36	Statement of Financial Position
37	Statement of Changes in Equity
38	Statement of Cash Flows
39	Notes to the Financial Statements
54	Independent Auditor's Report
55	Contact Details



# Board Members

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

## **Russell A Walker - President**

FCPA, MAICD, DipBus (Com), GradDip (Govt Acc)

Appointed to the Board in May 1997. Mr Walker has had extensive experience in both the not for profit and public sectors. He was Assistant Auditor General for Victoria, was a Commissioner on the Victorian Commission of Audit, and has undertaken a number of consultancies, including for the Victorian Parliament's Public Accounts and Estimates Committee. Mr Walker is currently a Board member of the Coliban Regional Water Corporation, Royal Guide Dogs Association of Australia, and Macedon Ranges Health Services. He was also a former chair of a Western Bulldogs Football Club major fundraising group. Mr Walker is a Fellow of CPA Australia and a Member of the Institute of Company Directors. He and his wife have been contributors to Guide Dogs Victoria as Puppy Raisers since 1993.

## **John Rayner - Vice President**

B.Sc(HONS), Dip.Ed, Grad.Dip.Computing

Appointed to the Board in November 2010. Mr Rayner is a consultant specialising in software development and IT education. He has worked with a broad range of private and government organisations both in Australia and internationally, including IBM and the Australian Defence Force. Mr Rayner has demonstrated a commitment to volunteer organisations for 35 years, and has a brother who is blind. He and his wife have been Puppy Raisers with Guide Dogs Victoria since 2000.

## **Betty Amsden OAM**

Appointed to the Board in November 2010. Betty Amsden is an Honorary Life Member of RSPCA and past Chair of a Capital Appeal for RSPCA. She is a past member of the Epworth Medical Foundation Board, founding Member of the Melbourne Chamber Orchestra, Governor of the Art Centre Foundation, Trustee of More than Opera, Patron of the Youth Programme of Victorian Opera, Chair of the Private Giving Programme of The Australian Ballet School, Patron of Arts Bites (for children) at the Arts Centre, was the Patron of the Friends Programme of Orchestra Victoria and Board Member of Orchestra Victoria. In 2002 Betty was awarded a Member of the Order of Australia. Betty was also Chair of a Capital Appeal for 3MBS Community Broadcasting Station and is now appointed Ambassador of 3MBS. Betty is Vice-Chair of the Board of The Australian Ballet School. She exemplifies generous, involved philanthropist. Her contribution to the community, and especially to the arts, is truly inspiring. In 2010 she pledged \$5 million to establish the Betty Amsden Arts Education Endowment for Children at the Arts Centre. She was acknowledged in the Melbourne Awards in 2010 for her work in the community.

## **Gary Williams**

DipBus(Com)

Appointed to the Board in November 2010. Mr Williams has had a career in finance, marketing and retail. At present, he is a Director of a family business engaged in party supplies. Previously he was a stockbroker for 24 years, specialising in equities research and sales to Australian and International institutions and worked in Melbourne, London and Brisbane. He was a member of the Australian Stock Exchange. Mr Williams is a former Director of the Rotary Club of Eltham and has other private charity interests. Together with his wife, he is a Guide Dog Puppy Sponsor and they have volunteered for 10 years.

## **Iain Edwards**

B. App Sci (Physiotherapy)

Appointed to the Board in June 2011. Iain is a physiotherapist who has worked for twenty years in the public health system in both rural and metropolitan health services. Currently Iain is the Director of Chronic Disease & Aged Services with Peninsula Health. Iain's role involves managing a number of programs which aim to support people at risk of or who have a chronic disease to manage their illness and improve their quality of life. Mr Edwards has been involved with GDV since 1993. He completed his orientation and mobility instruction and trained with his first guide dog in 1995 and is currently partnered with his third guide dog 'Fritz'. His extended family is also very involved with GDV, his brother is partnered with a guide dog and the Edwards family have been involved in several fund raising initiatives including sponsoring guide dog puppies. During Mr Edwards' 18 year association with GDV he has also assisted with a number of PR, fundraising and promotional events.

## **Graeme Houghton**

BSc, MHA, FCHSM, MAICD

Appointed to the Board in November 2011. Graeme is a BSc from the University of Melbourne, a Master of Health Administration from the University of NSW and a Fellow of the Australasian College of Health Service Management. He has held appointments as Chief Executive Officer of Fairfield Hospital, Austin Hospital, Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. He also has experience in the private hospital sector and as Hospital Standards and Accreditation Adviser to the National Department of Health in Papua New Guinea. Graeme is currently Chair of the three recently established Tasmanian Health Organisations. He is an accreditation surveyor for the Australian Council on Healthcare Standards. He is an Adjunct Associate Professor in the School of Public Health at La Trobe University and a member of the Board of Management of Mayfield Education Centre.

## Board Members cont.

### **Bruce Porter (Treasurer)**

B.Com, FCPA, FICAA

Appointed to the Board in October 2011. Mr Porter has extensive experience in external financial reporting, external auditing and corporate governance. He retired from Deloitte Touche Tohmatsu in May 2011 where he was an audit partner and head of the firm's National Accounting Technical Group for over 15 years. He is a past member, deputy chairman, and acting chairman and CEO of the Australian Accounting Standards Board, a member of the Urgent Issues Group, and a member of the Victorian Divisional Council of CPA Australia. He is currently a member of the Audit Committee of Uniting Church in Australia Synod of Victoria and Tasmania, and a director of Resource Underwriting Pacific Pty Ltd

### **Vicki Shields**

MBA, FFSIA, MAICD

Appointed to the Board in November 2011. Vicki has an MBA from Victoria University, Wellington, New Zealand and is a Fellow of the Financial Services Institute of Australasia. She is a Member of the Institute of Company Directors and she is also a Board Member with Ronald McDonald House Monash. Vicki has managed her own Customer Experience practice for several years and has held General Management positions in ANZ and Coles Myer Limited. Vicki has been the recipient of multiple customer service awards and was also a finalist in the Telstra Business Woman of the Year 2005.

# Treasurer's Report

On behalf of the Board, it is my pleasure to present to members of Guide Dogs Victoria (GDV) the results for the financial year ended 30 June 2012.

GDV recorded a net loss of \$332,000 for the financial year ended 30 June 2012 (2011: net loss of \$14,000). This year's net loss was impacted by a gain of \$179,000 from an increase in the inventory value of guide dogs. As a comparison the 2011 net loss was impacted by a gain of \$300,000 from a change to the timing of special purpose funds, being recognised as revenue in accordance with the accounting standards, slightly offset by a decrease of \$75,000 in the inventory value of guide dogs.

Revenue from fundraising appeals, donations and bequests declined from \$7,245,000 in 2011 to \$6,746,000 in 2012, a reduction of \$499,000. This reflects the impact that the economic downturn continues to have on our traditional fundraising and other revenue raising activities. Despite this downturn, GDV continued the Board's objective to provide at least the same or a better level of services to its clients during the financial year.

For the four financial years ended 30 June 2009, 2010, 2011 and 2012 GDV has accumulated losses which if allowed to continue would impair GDV's ability to provide the same or better level of services to clients in the future and create implications for the future sustainability of the organisation. It is encouraging to note that the Board has endorsed a Management Business Plan which is being implemented which encompasses a number of initiatives to increase revenue, services and productivity, and to reduce operating expenses, which are designed to return the organisation to profit in 2013 and increase GDV's strategic and operating cash reserves.

GDV's historical strong level of strategic and operating cash reserves has allowed the organisation to invest in the enhancement of our infrastructure and continue to pursue our levels of service to clients each year, even though losses were being incurred. In sustained difficult economic times, such as those presently being experienced, this objective has reduced our cash reserves. At 30 June 2012 the strategic and operating cash reserves of GDV, comprising cash, financial assets and investment properties, totalled \$4,479,000 (2011: \$5,954,000), with \$1,475,000 being utilised during the financial year. The Statement of Cash Flows discloses the cash balances and the cash inflows and cash outflows for the year.

It is important to recognise that of the \$1,475,000 of strategic and operating cash reserves utilised during 2011/12, \$1,336,000 was invested in property, plant and equipment. This included the construction of facilities to house 32 dogs and the kennels for 20 dogs which were funded from donations received associated with our capital appeal in prior years.

The net asset position of GDV at 30 June 2012 is \$10,095,000 (2011: \$10,522,000). Of this amount \$5,268,000 (2011: \$4,756,000) relates to property, plant and equipment and \$1,284,000 (2011: \$1,105,000) represents the valuation of guide dogs. It is important to note that guide dogs have little intrinsic value as they will not be realised in the normal course of business.

The working capital position of GDV at 30 June 2012 remains strong with current assets exceeding current liabilities by \$3,935,000 (2011: \$4,131,000).

Finally, I would like to extend my sincere thanks to our CEO, Karen Hayes, and her team for their tireless commitment and dedication to Guide Dogs Victoria enabling it to provide such wonderful programs to Victorians who are blind and vision impaired. GDV is truly blessed to have staff whose dedication to help others never ceases to amaze. Special thanks must go to our donors, supporters, puppy raisers and all our volunteers for their significant support and contribution to GDV.

I would also like to thank our General Manager-Commercial and Corporate Services Craig Cunningham and his team, and my fellow directors for their support and wise counsel during my first term as Honorary Treasurer of this great organisation.

**Bruce Porter**  
**Honorary Treasurer**

# Director's Report

## Principal Activities

The principal activities of Guide Dogs Victoria in the course of the financial year were directed toward raising funds for the breeding and training of Guide Dogs and the provision of mobility rehabilitation services for Victorians who are blind or vision impaired.

## Objectives And Strategies

### Short Term Objective

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

### Long Term Objective

To provide high quality mobility training and support to every blind and vision impaired Victorian who needs assistance to achieve their maximum independence.

### Strategies

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

- Provide high quality client services
- Deliver high quality guide dogs
- Maximise our fundraising and marketing
- Nurture our staff and volunteers
- Strengthen our financial position and business processes

## Performance Measures

Guide Dogs Victoria operations for the financial year in meeting its services to clients recorded a net loss of \$332,617 (2011: net loss \$13,994).

During 2011/12, Guide Dogs Victoria serviced 1,614 clients, a 4.7% increase on the prior financial year. The construction of facilities to house 32 dogs and the kennels for 20 dogs was substantially completed during this period.

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.

## Directors' meetings

The number of meetings of Directors (including Audit & Risk Management (A & RM), Marketing and Fundraising (M & FR), Membership (M'Ship), and Remuneration (Rem) Committee meetings) held during the financial year, and the number of meetings attended by each Director was as follows:

	Director's Mtgs	A & RM Mtgs	M & FR Mtgs	M'Ship Mtgs	Rem Mtgs
Number of meetings held	12	5	4	4	5
Russell A Walker	12	1	-	4	5
Bruce C Porter (Co-opted Oct 11)	8	2	-	1	1
Betty Amsden OAM	11	1	4	1	4
Vicki Shields (Co-opted Nov 11)	7	-	2	-	-
John Rayner	12	2	-	4	4
Gary Williams	12	4	4	-	-
Iain Edwards	12	1	-	-	-
Graeme Houghton (Co-opted Nov 11)	5	1	-	-	-
Mervyn Tappenden (resigned Sep 2011)	3	1	-	-	-
Chris Nixon (resigned July 2011)	1	-	-	-	-

## Committee membership

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

- Bruce Porter (part year)
- Gary Williams
- Mervyn Tappenden (part year)
- Graeme Houghton (part year)
- John Rayner
- Iain Edwards

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

- Betty Amsden OAM
- Gary Williams
- Vicky Shields (part year)

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

- John Rayner
- Russell A Walker
- Betty Amsden OAM (part year)
- Bruce Porter (part year)

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

- John Rayner
- Russell A Walker
- Betty Amsden OAM (part year)
- Bruce Porter (part year)

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 contributions of the entity. As at 30 June 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$1,420 (2011 \$1,540).

## Auditor's Independence Declaration

The auditors independence declaration for the year ended 30 June 2012 has been received and can be found on page 34. On behalf of the Board



Russell A Walker  
President  
Melbourne, 10 October 2011

# Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 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.



Moore Stephens  
Chartered Accountants



Scott Phillips  
Partner  
Melbourne, 10 October 2012

# Director's Declaration

In accordance with a resolution of the Directors of Guide Dogs Victoria (a company limited by guarantee), the directors declare that:

1. The financial statements and notes of the company are in accordance with the Corporations Act 2001,
  - a. give a true and fair view of the financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - b. comply with Australian Accounting Standards
2. In the director's 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.



Russell A Walker, President  
Melbourne, 10th October 2012

# Statement Of Comprehensive Income

For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Fundraising appeals, donations and bequests		6,746,363	7,245,205
Sale of goods		3,546,308	3,575,803
Rendering of services		144,041	79,520
Rental revenue		18,357	18,462
Capital appeal		6,000	188,511
Finance revenue	2	226,471	416,037
Other income	2	1,295,685	1,025,913
<b>Revenue</b>		<b>11,983,225</b>	<b>12,549,451</b>
Cost of inventories utilised	3	(2,569,160)	(2,539,870)
Depreciation and amortisation expense		(295,232)	(294,473)
Community Information		(316,060)	(436,525)
Fundraising & bequests		(1,363,214)	(1,411,060)
Public education		(299,296)	(372,736)
Commercial activities		(1,668,815)	(1,631,262)
Corporate services		(851,753)	(834,901)
Mobility & guide dog services		(4,952,312)	(5,042,618)
<b>Loss before income tax</b>		<b>(332,617)</b>	<b>(13,994)</b>
Income tax expense	1(d)	-	-
<b>Net loss for the year</b>		<b>(332,617)</b>	<b>(13,994)</b>
<b>Other Comprehensive Income</b>			
Net (loss)/gain on re-measurement of available-for-sale financial assets	14(b)	(94,988)	31,902
<b>Other comprehensive (loss)/income for the year</b>		<b>(94,988)</b>	<b>31,902</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(427,605)</b>	<b>17,908</b>

The accompanying notes form part of these financial statements.

# Statement Of Financial Position

For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	2,181,370	2,895,324
Trade and other receivables	6	816,524	1,345,355
Inventories	7	1,369,607	1,212,961
Financial assets	8	1,293,350	1,332,539
<b>Total Current Assets</b>		<b>5,660,851</b>	<b>6,786,179</b>
<b>Non Current Assets</b>			
Financial assets	8	794,938	926,186
Property, plant and equipment	9	5,219,786	4,715,312
Intangible assets	10	48,212	40,989
Investment properties	11	209,624	800,000
<b>Total Non-Current Assets</b>		<b>6,272,560</b>	<b>6,482,487</b>
<b>Total Assets</b>		<b>11,933,411</b>	<b>13,268,666</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	918,725	1,820,469
Provisions	13	807,386	837,340
<b>Total Current Liabilities</b>		<b>1,726,111</b>	<b>2,657,809</b>
<b>Non-Current Liabilities</b>			
Provisions	13	112,466	88,418
<b>Total Non-Current Liabilities</b>		<b>112,466</b>	<b>88,418</b>
<b>Total Liabilities</b>		<b>1,838,577</b>	<b>2,746,227</b>
<b>Net Assets</b>		<b>10,094,834</b>	<b>10,522,439</b>
<b>Accumulated Funds</b>			
Reserves	14	4,432,618	5,027,606
Retained earnings	14	5,662,216	5,494,833
<b>TOTAL ACCUMULATED FUNDS</b>		<b>10,094,834</b>	<b>10,522,439</b>

The accompanying notes form part of these financial statements.

# Statement Of Changes In Equity

For The Year Ended 30 June 2012

	Notes	Retained Earnings \$	General Reserve \$	Financial Asset Reserve \$	Total \$
Balance as at 1 July 2010		5,508,827	5,000,000	(4,296)	10,504,531
Net profit (loss) for the year		(13,994)	-	-	(13,994)
Other comprehensive income		-	-	31,902	31,902
<b>Balance as at 30 June 2011</b>		<b>5,494,833</b>	<b>5,000,000</b>	<b>27,606</b>	<b>10,522,439</b>
Net profit (loss) for the year		(332,617)	-	-	(332,617)
Other comprehensive income (loss)		-	-	(94,988)	(94,988)
Transfer from general reserves to retained earnings		500,000	(500,000)	-	-
<b>Balance as at 30 June 2012</b>		<b>5,662,216</b>	<b>4,500,000</b>	<b>(67,382)</b>	<b>10,094,834</b>

The accompanying notes form part of these financial statements.

# Statement Of Cash Flows

For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and donors		11,260,542	10,599,880
Payments to suppliers and employees		(12,757,345)	(12,629,628)
Interest received		39,522	139,275
Capital appeal donations		6,000	188,511
Special project donations		202,680	334,003
Receipt of government grants		1,065,207	1,023,855
Dividends received		75,654	186,568
<b>Net cash used in operating activities</b>	<b>4</b>	<b>(107,740)</b>	<b>(157,536)</b>
<b>Cash Flows From Investing Activities</b>			
Payment for available-for-sale investments		(2,717,630)	(6,236,938)
Proceeds from the sale of available-for-sale investments		2,700,147	6,558,738
Proceeds from sale of investment property, plant and equipment		747,382	672
Payment of property, plant and equipment		(1,294,880)	(563,000)
Payment of intangible assets		(41,233)	(24,318)
<b>Net cash used in investing activities</b>		<b>(606,214)</b>	<b>(264,846)</b>
Net cash decrease in cash held		(713,954)	(422,382)
Cash at beginning of financial year		2,895,324	3,317,706
<b>Cash at end of financial year</b>	<b>5</b>	<b>2,181,370</b>	<b>2,895,324</b>

The accompanying notes form part of these financial statements.

# Notes to and forming part of the Financial Statements

For The Year Ended 30 June 2012

## 1. Summary Of Significant Accounting Policies

The financial statements are for Guide Dogs Victoria as an individual company incorporated and domiciled in Australia. Guide Dogs Victoria is a company limited by guarantee. The following summary explains the significant accounting policies that have been adopted in the preparation of these financial statements.

### a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting interpretations). 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 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

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.

Bequests are recognised as income when three conditions are met, (1) the company obtains control of the bequest or the right to receive the bequest; (2) it is probable that the economic benefits comprising the bequests will flow to the company and (3) the amount of the bequest can be measured reliably. Bequests 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 investment properties 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 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 finished goods for merchandise products sold through the commercial activities of the organisation.

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.

Guide dogs are valued at the lower of cost or current replacement cost and net realisable value in accordance with Australian Accounting Standards. The Directors are of the view however that these dogs have little intrinsic value as they will not be realised in the normal course of business. Nevertheless, in order to comply with Australian Accounting Standards they have been valued in accordance with AASB 102. The cost of guide dog inventories comprises all costs directly related to the production of guide dogs with carrying values of guide dogs expensed when they are issued to clients or removed from the program.

### 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.

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.

#### *i. 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.

#### *ii. Loans and receivables*

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

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.

#### *iii. Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the 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.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

#### *iv. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable or 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.

#### *v. 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.

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

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

### 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 property where Guide Dogs Victoria mainly 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 acquired.

### Depreciation

Building, plant and equipment is depreciated on a straight

line or reducing balance 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	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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### i. Investment Property

Investment property is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at the fair value determined at the time the property was first recognised, less accumulated depreciation.

### 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.

Receivables from related parties are recognised and carried at the nominal amount due.

### 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 in settlement. Payables to related parties are carried at the principal amount.

### 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. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical knowledge and other factors including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### o. Intangibles

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.

#### p. Financial Risk Management

The company's activities are confined to investment in cash and cash equivalent assets. The Board holds a long-term view of investing, and holds cash equivalent assets to maturity. The Board keeps informed of market risks through monthly meetings, and there has been no significant change in the 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

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations, which became mandatory. These mainly included minor amendments and editorial corrections.

The adoption of these standards did not have any significant impact on the recognition, measurement and disclosure of transactions.

#### t. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations 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 these 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:

#### Standard/Interpretation

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013)

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (applicable for annual reporting periods commencing on or after 1 January 2014)

AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] (applicable for annual reporting periods commencing on or after 1 January 2013)

AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASBs 1, 101, 116, 132 & 134 and Interpretation 2] (applicable for annual reporting periods commencing on or after 1 January 2013)

These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning after the effective date of each pronouncement.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

The financial report was authorised for issue on the 10th October 2012 by the board of directors.

## 2. Revenue

	Note	2012 \$	2011 \$
Revenue			
(a) <b>Finance Revenue</b>			
Bank interest		39,522	139,276
Income from investments		75,654	186,568
Other		111,295	90,193
<b>Total Finance Revenue</b>		<b>226,471</b>	<b>416,037</b>
(b) <b>Other income</b>			
Government grants		1,065,207	1,023,855
Gain from sale of investment property and other assets		138,922	-
Net Loss on disposal of Investments		(92,932)	-
Other		184,488	2,058
<b>Total other income</b>		<b>1,295,685</b>	<b>1,025,913</b>

## 3. Expenses

	Note	2012 \$	2011 \$
Bad & doubtful debts	6(ii)	16,639	26,747
Defined contribution plan (superannuation)		608,835	601,001
Cost of inventory used		2,569,160	2,539,870
Employee benefits expense		6,371,796	6,157,616

## 4. Cash Flow Statement Reconciliation

	Note	2012 \$	2011 \$
<b>(i) Reconciliation of net profit (loss) for the year to net cash (used)/ generated in operating activities</b>			
Net profit (loss) for the year		(332,617)	(13,994)
<b>Non-Cash Flows</b>			
Depreciation and amortisation		295,232	294,472
Write off preliminary expenses		23,460	-
Bad debts written off		17,714	25,092
Write down of dog inventory		(178,934)	75,391
Write off obsolete stock		11,149	-
Net (profit) / loss on sale			
- Investment Property		(152,260)	-
- Plant & equipment		13,338	634
Accrued Bequest Revenue		(365,700)	(729,062)
Financial Assets bequeathed		(165,552)	(1,367,200)
Fixed assets donated		(5,797)	-
Realised (gain) / loss on financial assets		92,932	(84,400)
<b>Change in assets and liabilities</b>			
Decrease/(increase) in trade and other receivables		536,048	(30,457)
(Increase) / decrease in prepayments		68,516	15,188
Increase / (decrease) in provisions		43,680	(31,458)
(Increase) / decrease in inventories		68,308	69,054
(Decrease)/increase in trade and other payables		(442,957)	159,109
Net cash (used)/generated in operating activities		(107,740)	(157,536)
<b>(ii) Reconciliation of cash</b>			
Cash balance comprises:			
Cash at bank and in hand	5	2,181,370	2,895,324

## 5. Cash And Cash Equivalents

	Note	2012 \$	2011 \$
Cash at bank		2,175,390	2,889,344
Cash on hand		5,980	5,980
<b>Total case and cash equivalents</b>		<b>2,181,370</b>	<b>2,895,324</b>

## 6. Trade And Other Receivables

	Note	2012 \$	2011 \$
Trade receivables	(i)	193,925	244,685
Provision for doubtful debts	(ii)	(9,679)	(10,754)
		184,246	233,931
Prepayments		44,356	112,872
Sundry receivables		507,805	861,757
Related party receivables		80,117	41,179
Goods and services tax		-	95,616
<b>Total trade and other receivables</b>		<b>816,524</b>	<b>1,345,355</b>

- i. Trade receivables are non-interest bearing and are generally on 30 to 60 day terms. A provision for impairment 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:

	Total	0-30 Days	31-60 Days	61-90 Days	90+ Days
2012	193,925	141,568	36,140	9,908	6,309
2011	244,685	153,180	35,524	46,383	9,598

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.

- ii. Movement in the provision for impairment of receivables is as follows:

	Note	2012 \$	2011 \$
As at 1 July		10,754	9,099
Charge for the year	3	16,639	26,747
Written off		(17,714)	(25,092)
<b>As at 30 June</b>		<b>9,679</b>	<b>10,754</b>

## 7. Inventories

	Note	2012 \$	2011 \$
Finished goods		100,872	107,632
Guide Dogs		1,284,263	1,105,329
Stock Obsolescence		(15,528)	-
<b>Total Inventories</b>		<b>1,369,607</b>	<b>1,212,961</b>

## 8. Financial Assets

	Note	2012 \$	2011 \$
<b>Current</b>			
Financial assets available-for-sale		1,293,350	1,332,539
<b>Non-Current</b>			
Financial assets available-for-sale		794,938	926,186

## 9. Property, Plant and Equipment

	Note	2012 \$	2011 \$
<b>Buildings</b>			
At cost		5,256,431	4,653,099
Less accumulated depreciation		(539,561)	(468,054)
<b>Total Buildings</b>		<b>4,716,870</b>	<b>4,185,045</b>
<b>Plant and equipment</b>			
At cost		1,817,573	2,022,148
Less accumulated depreciation		(1,314,657)	(1,491,881)
<b>Total Plant &amp; Equipment</b>		<b>502,916</b>	<b>530,267</b>
<b>Total property, plant and equipment</b>			
At cost		7,074,004	6,675,247
Accumulated depreciation		(1,854,218)	(1,959,935)
<b>Total Property, Plant &amp; Equipment</b>		<b>5,219,786</b>	<b>4,715,312</b>

### (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:

#### Buildings

Carrying amount at beginning		4,185,045	3,244,343
Additions at cost		626,792	1,012,210
Write off of preliminary expenses		(23,460)	-
Depreciation expense		(71,507)	(71,508)
<b>Net carrying amount</b>		<b>4,716,870</b>	<b>4,185,045</b>

#### Plant and equipment

Carrying amount at beginning		530,267	663,940
Additions at cost		163,749	63,193
Disposals at net written down value		(20,655)	(1,306)
Depreciation expense		(170,445)	(195,560)
<b>Net carrying value</b>		<b>502,916</b>	<b>530,267</b>

## 10. Intangible Assets

	Note	2012 \$	2011 \$
Computer software – at cost		138,232	96,999
Accumulated amortisation		(90,020)	(56,010)
<b>Total Intangible Assets</b>		<b>48,212</b>	<b>40,989</b>

### (a) Movements in carrying amounts

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

		2012 \$	2011 \$
Computer Software			
Carrying amount at beginning		40,989	44,076
Additions		41,233	24,318
Amortisation charge		(34,010)	(27,405)
<b>Net carrying amount</b>		<b>48,212</b>	<b>40,989</b>

## 11. Investment Properties

	Note	2012 \$	2011 \$
Opening balance as at 1 July		800,000	800,000
Depreciation		(19,269)	-
Disposals		(571,107)	-
<b>Closing balance as at 30 June</b>		<b>209,624</b>	<b>800,000</b>

During the year, the company sold a rental property located at Glen Waverley, which was obtained in December 2007. The property, which had a carrying value of \$571,106 was sold for \$735,000 during the year. The net profit on sale (after selling costs) was \$152,260 and is included in the Statement of Comprehensive Income. The company retains one investment property, 50% ownership in a two storey retail premises. The Property is carried at initial fair value based on valuations performed by certified practising valuers (Landlink Property Group on 28 September 2005) less accumulated depreciation. A market appraisal was carried out in September 2011 by Gartland Real Estate Pty Ltd, at \$500,000 (50% \$250,000, compared to the carrying value \$209,624). No adjustment to the initial value has been recorded in the financial report which is consistent with the accounting policy set out in Note 1(i).

## 12. Trade and Other Payables

	Note	2012 \$	2011 \$
Trade payables	(i)	277,209	1,226,860
Other payables	(ii)	228,556	165,723
Related party payables	(iii)	13,189	17,481
Annual leave payable		322,248	272,663
Withholding tax payable		77,523	137,742
<b>Total trade and other payables</b>		<b>918,725</b>	<b>1,820,469</b>

- i. Trade payables are non-interest bearing and are generally settled on 30 to 60 day terms. The reduction shown above is primarily due to a specific payable in respect of the kennel development project of \$511,098 in the prior year and more timely payment of payables generally.
- 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 21.

### 13. Provisions

	Note	2012 \$	2011 \$
<b>Current</b>			
Employee benefits		807,386	837,340
<b>Non Current</b>			
Employee benefits		112,466	88,418

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.

### 14. Reserves and Retained Earnings

#### 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. Retained Earnings

Total retained earnings to the end of the financial year of 30 June 2012 include an amount of \$1,284,263 representing valuation of Guide Dogs that in the normal course of the organisation's operations will not be realised.

### 15. 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 2012 the number of members was 72 (2011: 77)

### 16. Remuneration of Directors

No Directors received remuneration during the year (2011: Nil).

### 17. Auditors' Remuneration

	Note	2012 \$	2011 \$
Amount received or due and receivable by the auditors for: - Audit services		45,000	39,384

## 18. Commitments

	Note	2012 \$	2011 \$
<b>Operating lease commitments:</b>	(i)		
- Not later than one year		323,338	347,565
- Later than one year and not later than two years		244,847	280,065
- Later than two years and not later than five years		217,756	265,454
		785,941	893,084

- 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 but not recognised in the financial statements.

## 19. 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:

	Note	2012 \$	2011 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	2,181,370	2,895,324
Trade and other receivables	6	816,524	1,345,355
Available-for-sale financial assets	8	2,088,288	2,258,725
<b>Total Financial Assets</b>		<b>5,086,182</b>	<b>6,499,404</b>
<b>Financial Liabilities at amortised cost</b>			
- Trade and other payables	12	918,725	1,820,469
- Less: annual leave entitlements		(322,248)	(272,663)
<b>Total Financial Liabilities</b>		<b>596,477</b>	<b>1,547,806</b>

### Financial Risk Management Policies

The Audit & Risk Management Committee of 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.

### Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the company's objectives, policies and processes for managing or measuring risks from the previous period.

#### a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as its major source of revenue is the receipt of donations and state government grants.

#### Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

Credit risk related to balances with banks and other financial institutions is overviewed by the Audit & Risk Management committee in accordance with approved Board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2012 \$	2011 \$
<b>Cash and cash equivalents</b>			
A-1+		1,656,929	2,398,274
A-1		524,441	497,050
	5	2,181,370	2,895,324

## b. Liquidity risk

Liquidity risk means the risk of experiencing difficulty in meeting the company's obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company does not bear any significant liquidity risk because it has sufficient cash and cash equivalents, trade and other receivables and other financial assets maturing in the short-term, to finance its financial liabilities that mature in the same period.

### *Financial liability and financial asset maturity analysis*

	Within 1 Year		Within 1 to 5 Year		Over 5 Years		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding estimated annual leave )	596,477	1,547,806	-	-	-	-	596,477	1,547,806
Total expected outflows	596,477	1,547,806	-	-	-	-	596,477	1,547,806

## c. Market Risk

### i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company's main interest rate risk arises from cash and cash equivalents.

ii. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The company is exposed to securities price risk on investments in listed shares available for sale. Such risk is managed through diversification of investments across industries and geographical locations.

The company's investments are held in the following sectors at reporting date:

	2012 \$	2011 \$
Energy	92,553	96,184
Materials	318,992	316,284
Industrials	58,143	72,580
Consumer	95,352	76,711
Health Care	26,095	45,436
Financials	356,238	387,094
Community service & supplies	-	32,455
Transportation	-	50,157
Media	-	14,752
Retailing	-	88,512
Telecommunication	93,660	-
Property	46,427	-
	1,087,460	1,180,165

*Sensitivity Analysis*

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
<b>Year ended 30 June 2012</b>		
0.5% (50 Bps) cash and cash equivalents	+/- 10,907	+/- 10,907
5.0% (500 Bps) in listed investments	-	+/- 50,041
<b>Year ended 30 June 2011</b>		
0.5% (50 Bps) cash and cash equivalents	+/- 14,447	+/- 14,447
5.0% (500 Bps) in listed investments	-	+/- 59,008

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations. There have been no changes in any of the assumptions used to prepare the above sensitivity from the prior year.

**Net Fair Values**

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company.

	Footnote	2012		2011	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial assets</b>		-	-		
Cash and cash equivalents	(i)	2,181,370	2,181,370	2,895,324	2,895,324
Trade and other receivables	(i)	816,524	816,524	1,345,355	1,345,355
		2,997,894	2,997,894	4,240,679	4,240,679
Available-for-sale financial assets:					
- listed investments	(ii)	1,087,460	1,087,460	1,180,165	1,180,165
Available-for-sale financial assets:					
- Government and fixed interest securities	(ii)	1,000,828	1,033,199	1,078,560	1,088,908
<b>Total financial assets</b>		<b>5,086,182</b>	<b>5,118,553</b>	<b>6,499,404</b>	<b>6,509,752</b>
<b>Financial liabilities</b>					
Trade and other payables	(i)	596,477	596,477	1,547,806	1,547,806
<b>Total financial liabilities</b>		<b>596,477</b>	<b>596,477</b>	<b>1,547,806</b>	<b>1,547,806</b>

The fair values disclosed in the previous table have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB139.
- For available-for-sale financial assets, closing quoted bid prices at the end of the reporting period are used.

### 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).

2012	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets</b>				
Available-for-sale financial assets	2,088,288	-	-	2,088,288
<b>2011</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Financial Assets</b>				
Available-for-sale financial assets	2,258,725	-	-	2,258,725

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

## 20. Key Management Personnel

Total compensation (including non cash benefits) for persons having authority and responsibility for planning, directing and controlling the activities of the company.

	2012 \$	2011 \$
Short term benefits	259,531	395,904
Post employment benefits	14,250	41,465
Other long term benefits	784	-
<b>Total compensation</b>	<b>274,565</b>	<b>437,369</b>

## 21. Related Party Disclosures

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

R A Walker	Continuing
B Amsden	Continuing
G Houghton	Joined November 2011
I Edwards	Continuing
B Porter	Joined October 2011
J Rayner	Continuing
V Shields	Joined November 2011
G Williams	Continuing
M Tappenden	Resigned September 2011
C Nixon	Resigned July 2011

Directors received no remuneration for their services.

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 Associations of 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 Transaction From		Owing To		Owing By	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Guide Dogs Queensland	10,905	9,493	17,531	2,306	1,239	2,094	-	428	-	-
Guide Dogs NSW/ACT	182,016	468,287	36,934	75,406	3,927	2,587	13,189	1,118	76,908	41,179
Guide Dogs SA/NT	8,606	359	-	21,760	13,148	493	-	15,563	3,209	-
Royal Guide Dogs Assoc of Tasmania	34,198	42,061	-	-	-	-	-	-	-	-
Association for the Blind of WA Inc	6,338	239	-	260	-	862	-	372	-	-

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.

For the year ended 30 June 2012, Guide Dogs Victoria has not made any allowance for impairment loss relating to amounts owing by related parties as the payment history has been excellent.

## 21. Events After Reporting Period

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of the company entity in subsequent financial years.

## 23. Company Details

The registered office of the company is:

Guide Dogs Victoria  
2 - 6 Chandler Highway, Kew, Vic 3101

# Independent Auditor's Report

To The Members Of Guide Dogs Victoria Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Guide Dogs Victoria Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

## Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 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 management, as well as evaluating the 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 Corporations Act 2001. We confirm that the independence declaration

required by Corporations Act 2001, which has been given to the directors of Guide Dogs Victoria Ltd, would be in the same terms if provided to the directors as at the date of this auditor's report.

## Auditor's Opinion

In our opinion the financial report of Guide Dogs Victoria Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.



Moore Stephens  
Chartered Accountants



Scott Phillips  
Partner  
Melbourne, 15 October 2012

## Contact Details

### Assessment & Referrals

Including :

- Children's Mobility
- Guide Dog Mobility
- Acquired Brain Injury Mobility
- Orientation & Mobility
- Occupational Therapy

Ph: 03 9854 4444  
referrals@guidedogsvictoria.com.au

### Puppy Raising enquiries

Ph: 03 9854 4408  
puppyraising@guidedogsvictoria.com.au

### Guide Dog Puppy Sponsorship enquiries

1800 988 626  
puppysponsor@guidedogsvictoria.com.au

### Workshops for Health Professionals

Ph: 03 9854 4444  
referrals@guidedogsvictoria.com.au

### Other enquiries

Guide Dogs Corporate Partnerships  
Ph: 03 9854 4437  
corporate@guidedogsvictoria.com.au

### Donations

Freecall 1800 988 626  
donations@guidedogsvictoria.com.au

### Media & Public Relations

Ph: 03 9854 4411  
info@guidedogsvictoria.com.au

### Guide Dog Shop

Freecall 1800 013 015

### Public Speakers

Ph: 03 9854 4476  
speaker@guidedogsvictoria.com.au

### Tours of Guide Dogs Victoria campus

Bookings essential on 03 9854 4444  
tours@guidedogsvictoria.com.au

### Volunteering

Ph: 03 9854 4444  
volunteer@guidedogsvictoria.com.au

### Planned Giving

Ph: 03 9854 4417  
bequests@guidedogsvictoria.com.au

**Guide Dogs Victoria** 

ABN 68 004 621 461

2 - 6 Chandler Highway, Kew 3101

Telephone 03 9854 4444 Facsimile 03 9854 4500

Email [info@guidedogsvictoria.com.au](mailto:info@guidedogsvictoria.com.au)

[www.guidedogsvictoria.com.au](http://www.guidedogsvictoria.com.au)