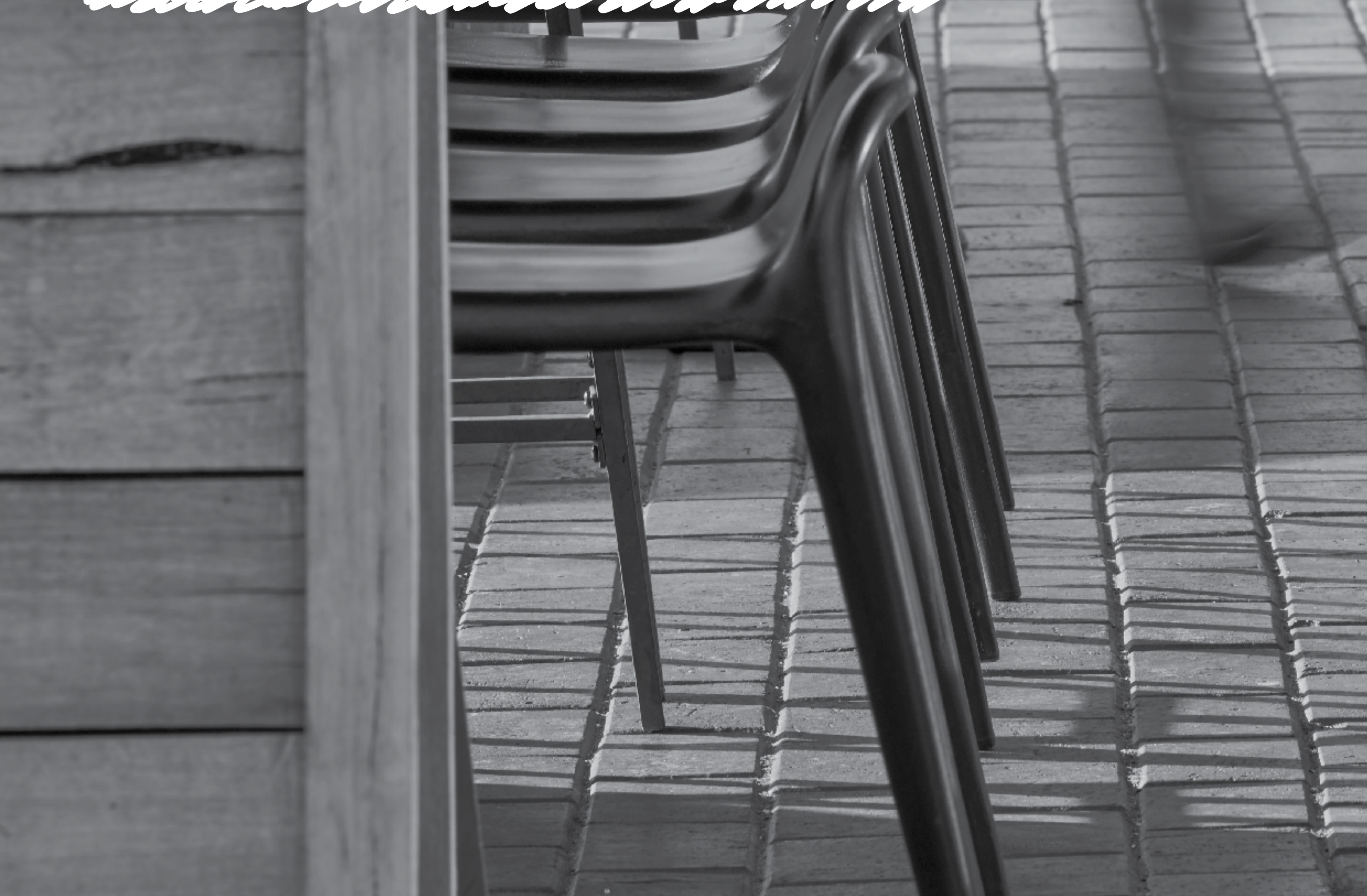
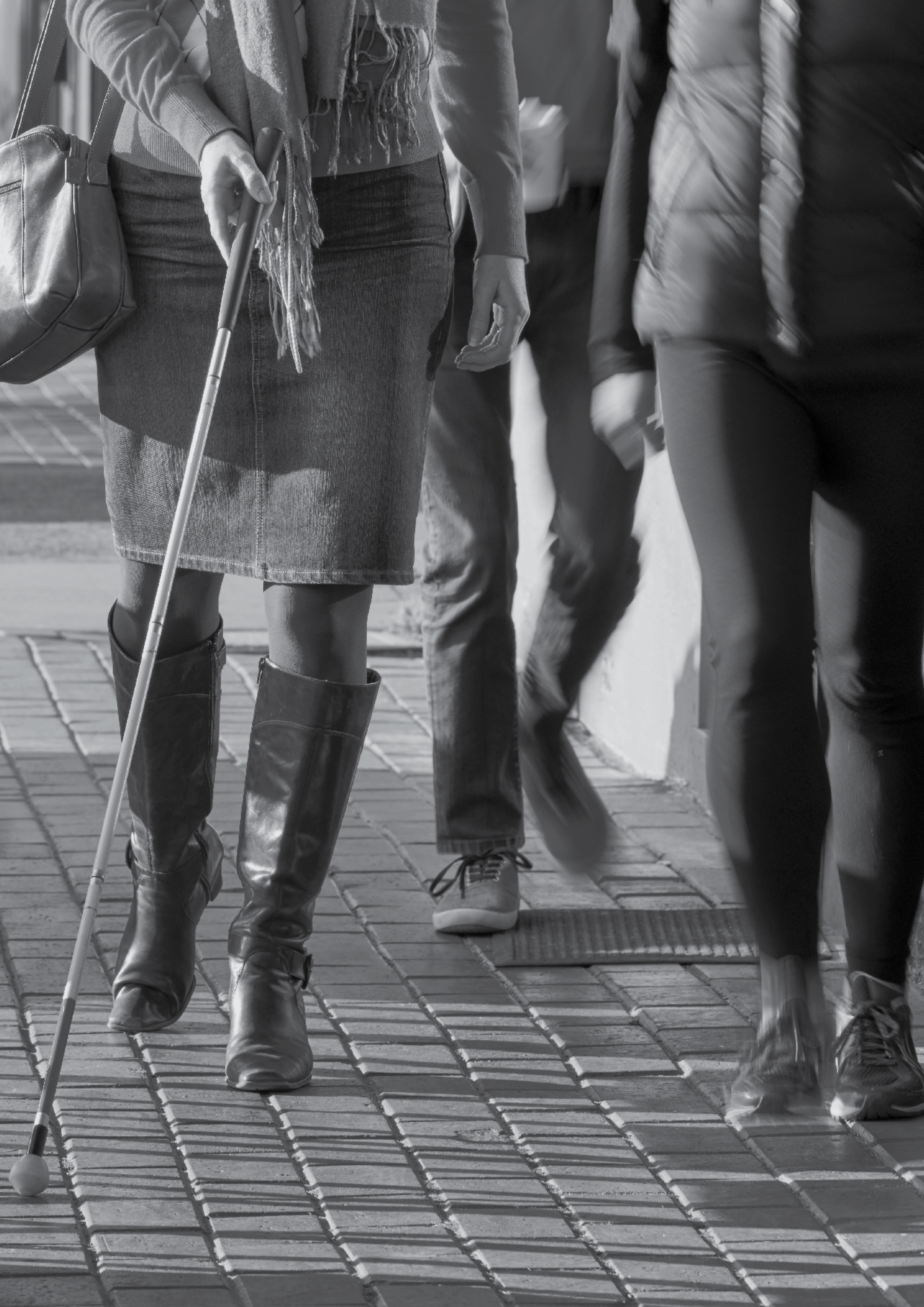
2015 Financial Report

Guide Dogs
VICTORIA

Contents





Directors' Report

The Board of Guide Dogs Victoria (the company) is pleased to present the Director's Report for the financial year ended 30 June 2015.

Principal activities

The principal activities of Guide Dogs Victoria in the course of the financial year were directed towards the provision of guide dogs and other orientation and mobility services to children and adults in Victoria who are blind or vision impaired and the raising of funds to finance these important services.

Objectives and strategies

Short Term Objective

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

Long Term Objective

To provide blind and vision impaired Victorians who need assistance with high quality training and support to maximise their independence.

Strategies

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

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

Performance measures

Guide Dogs Victoria operations for the financial year in meeting its services to clients recorded a net gain of $940,056 (2014: net gain $839,079).

During 2014/15, Guide Dogs Victoria serviced 1,537 clients, a 4% increase on the prior financial year.

A further review of the operations of Guide Dogs Victoria during the financial year and the results of those operations is contained in the 2015 Annual Report.

Directors' Report (continued)

Director's Meetings

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

	Directors meetings	A & RM meetings	M'Ship meetings	Rem meetings	M&F meetings	NDIS & Gov meetings
Number of meetings held	**7**	**4**	**4**	**4**	**2**	**1**
Current Board Members						
Russell A Walker (President)	7	-	4	4	-	1
John Rayner (Vice President)	7	4	4	4	-	-
Bruce Porter (Hon. Treasurer)	5	4	3	3	-	1
Betty Amsden OAM	7	-	-	-	2	-
Iain Edwards	7	1	-	-	1	-
Graeme Houghton	5	-	-	-	1	-
Sally Scott	5	-	-	-	1	-
Vicki Shields (resigned 3 Oct 2014)	2	-	-	-	1	-
Charles Thompson (co-opted 30 Oct 2014)	5	3	-	-	-	1
Gary Williams	5	3	-	-	-	-

Committee membership

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

- Bruce Porter (Chairman)
- Iain Edwards – Reassigned 28 January 2015
- John Rayner
- Charles Thompson – Co-opted 30 October 2014
- Gary Williams

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

- John Rayner (Chairman)
- Russell A Walker
- Bruce Porter

Directors' Report (continued)

Director's Meetings (continued)

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

- John Rayner (Chairman)
- Russell A Walker
- Bruce Porter

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

- Betty Amsden (Chairperson)
- Iain Edwards – Commenced 28 January 2015
- Graeme Houghton
- Sally Scott
- Vicki Shields – Resigned 3 October 2014

The Company had an **NDIS and Governance Committee.** Members of the Board on the Committee during the financial year were:

- Charles Thompson (Chairman)
- Russell A Walker
- Bruce Porter
- Sally Scott

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. As a Charity the company is governed by the *Australian Charities and Not-for-profits Commission Act 2012.* If the company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding contributions of the entity. As at 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is $1,580 (2014: $1,560).

Auditors Independence Declaration

The lead auditor's independence declaration in accordance with section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 30 June 2015 has been received and can be found on page 4 of the financial report.

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

Director..

Russell A Walker, President

Director..

Bruce Porter, Hon. Treasurer

Dated this 30th day of September 2015

Auditors Independence Declaration

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

To The Directors Of Guide Dogs Victoria Limited

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

i. No contraventions of the auditor's independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit, and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia (formerly Moore Stephens)
Chartered Accountants

Scott Phillips
Partner
Melbourne, 30 September 2015

Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Notes	2015 $	2014 $
Revenue			
Fundraising and bequests	2(a)	**8,392,074**	7,045,644
Funding for capital purposes		**1,076,568**	107,000
Revenue from merchandise sales		**2,562,820**	2,644,782
Revenue from the provision of dogs and mobility services	2(b)	**1,840,278**	2,050,808
Rental revenue		**36,629**	32,697
Finance revenue	2(c)	**284,333**	203,523
Other income	2(d)	**38,252**	668,408
Total Revenue		**14,230,954**	12,752,862
Expenditure			
Fundraising and bequests	3(c)	**(3,439,722)**	(2,190,620)
Cost of merchandise sales		**(2,288,838)**	(2,385,108)
Cost of provision of dogs and mobility services	3(b)	**(5,664,111)**	(5,952,362)
Community information		**(210,669)**	(262,593)
Public education		**(167,737)**	(190,920)
Corporate services		**(818,763)**	(830,714)
Other expenses	3(d)	**(701,058)**	(101,466)
Total Expenditure	3(a)	**(13,290,898)**	(11,913,783)
Gain before income tax		**940,056**	839,079
Income tax expense		**-**	-
Net Gain For The Year		**940,056**	839,079
Other comprehensive income			
Net (loss)/gain on re-measurement of available-for-sale financial assets		**(27,046)**	151,664
Total Comprehensive Gain For The Year		**913,010**	990,743

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2015

	Notes	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**1,889,141**	3,321,775
Trade and other receivables	6	**585,048**	855,853
Inventories	7	**765,426**	917,050
Financial assets	8	**2,246,626**	1,741,326
Total Current Assets		**5,486,241**	6,836,004
Non-Current Assets			
Financial assets	8	**1,809,820**	843,081
Property, plant and equipment	9	**6,671,543**	5,329,325
Intangible assets	10	**12,290**	40,082
Investment property	11	**190,799**	197,256
Total Non-Current Assets		**8,684,452**	6,409,744
Total Assets		**14,170,693**	13,245,748
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**832,732**	827,931
Provisions	13	**829,609**	807,032
Total Current Liabilities		**1,662,341**	1,634,963
Non-Current Liabilities			
Provisions	13	**72,183**	87,626
Total Non-Current Liabilities		**72,183**	87,626
Total Liabilities		**1,734,524**	1,722,589
Net Assets		**12,436,169**	11,523,159
Accumulated Funds			
Reserves	14(a)(b)	**5,089,002**	5,116,048
Retained earnings	14(c)	**7,347,167**	6,407,111
Total Accumulated Funds		**12,436,169**	11,523,159

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2015

	Retained Earnings	General Reserve	Financial Asset Reserve	Total
	$	$	$	$
Balance at 1 July 2013	5,568,032	4,800,000	164,384	10,532,416
Net gain for the year	839,079	-	-	839,079
Other comprehensive income	-	-	151,664	151,664
Balance at 30 June 2014	**6,407,111**	**4,800,000**	**316,048**	**11,523,159**
Balance at 1 July 2014	6,407,111	4,800,000	316,048	11,523,159
Net gain for the year	940,056	-	-	940,056
Other comprehensive loss	-	-	(27,046)	(27,046)
Balance at 30 June 2015	**7,347,167**	**4,800,000**	**289,002**	**12,436,169**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers and donors		**12,660,826**	10,243,782
Payments to suppliers and employees		**(3,105,003)**	(11,509,266)
Interest received		**116,163**	81,747
Special project donations		**1,151,568**	239,431
Receipt of government grants		**1,298,512**	1,955,027
Dividends received		**134,325**	121,742
Net cash inflows from operating activities	4(a)	**2,256,391**	1,132,463
Cash flows from investing activities			
Payment for available-for-sale investments		**(2,420,493)**	(997,671)
Proceeds from the sale of available-for-sale investments		**959,656**	981,972
Payment for property, plant and equipment		**(2,228,188)**	(182,032)
Net cash outflows in investing activities		**(3,689,025)**	(197,731)
Net cash (decrease)/increase in cash and cash equivalents held		**(1,432,634)**	934,732
Cash and cash equivalents at beginning of year		**3,321,775**	2,387,043
Cash and cash equivalents at end of financial year	4(b)	**1,889,141**	3,321,775

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1. Summary of significant accounting policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards (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 Australian Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(b) Revenue and Other Income

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

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

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

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

Donations are recognised as revenue as received.

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

(c) Inventories

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

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

1. Summary of significant accounting policies (continued)

(d) Taxes

Goods and Services Tax (GST)

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

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

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

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

Income Tax

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

(e) Financial Instruments

Initial recognition and measurement

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

For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified at fair value through 'profit or loss' in which case transaction costs are expensed to 'profit or loss' immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices (current bid prices) in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted, including recent arm's length transactions, reference to similar instruments, and option pricing models.

(i) Amortised cost

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

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

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

1. Summary of significant accounting policies (continued)

(e) Financial Instruments (continued)

Classification and subsequent measurement (continued)

(iii) Loans and receivables

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

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

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in 'profit or loss' through the amortisation process and when the financial asset is derecognised.

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

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.

(v) Available-for-sale financial assets

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

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

(vi) Financial liabilities

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

Impairment

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

Derecognition

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

1. Summary of significant accounting policies (continued)

(e) Financial Instruments (continued)

Derecognition (continued)

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in 'profit or loss'.

(f) Employee Benefits

Short-term employee provisions

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

Other long-term employee provisions

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

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

(g) Accumulated Funds

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

(h) Property, Plant and Equipment

The 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

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

1. Summary of significant accounting policies (continued)

(h) Property, Plant and Equipment (continued)

Depreciation (continued)

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. 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, comprising commercial premises, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost.

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

(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.

1. Summary of significant accounting policies (continued)

(n) Intangible Assets

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

(o) Critical Accounting Estimates and Judgements

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.

(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 reporting, 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 and Interpretations

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

- AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

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

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

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

2. Revenue

		2015	2014
	Notes	**$**	$
(a) Fundraising and bequests			
Donations		**4,548,252**	3,801,939
Bequests		**3,843,822**	3,243,705
Total fundraising and bequest revenue		**8,392,074**	7,045,644
(b) Revenue from provision of dogs and mobility services			
Government grants for services		**1,298,511**	1,353,733
Provision of in-kind goods		**120,744**	134,295
Revenue from sale of dogs and provision of services		**421,023**	562,780
Total revenue from provision of dogs and mobility services		**1,840,278**	2,050,808
(c) Finance Revenue			
Bank interest		**116,163**	81,747
Income from investments		**167,569**	121,742
Other		**601**	14
Total finance revenue		**284,333**	203,503

2. Revenue (continued)

	Notes	2015 $	2014 $
(d) Other income			
Government grant for operations		**-**	601,294
Net gain on disposal of investments	4(a)	**38,252**	67,134
Total other income		**38,252**	668,428

3. Expenditure

	Notes	2015 $	2014 $
(a) Total expenditure items include			
Defined contribution plan superannuation		**574,988**	563,382
Employee benefits expense		**6,102,087**	6,039,021
Depreciation and amortisation	4(a)	**303,211**	311,066
(b) Cost of provision of dogs and mobility services			
Cost of guide dog services and dogs sold		**3,760,278**	3,790,169
Decrease in dog inventory valuation	4(a)	**178,257**	192,360
Cost of mobility services		**1,725,576**	1,969,833
Total cost of the provision of dogs and mobility services		**5,664,111**	5,952,362
(c) Cost of fundraising and bequests includes:			
Fundraising activity aimed at enhancing the associated returns in future years		**1,776,222**	499,982
(d) Other expenses:			
Write down of property, plant and equipment		**617,007**	-
Management cost		**32,077**	28,040
Fringe benefit expense		**34,184**	56,258
Bad and doubtful debts	6(b)	**16,418**	17,168
Sundry expenses		**1,372**	-
Total other expenses		**701,058**	101,466

4. Cash Flow Statement Reconciliation

	Notes	2015 $	2014 $
(a) Reconciliation of net gain for the year to net cash inflows from operating activities			
Net gain for the year		**940,056**	839,079
Non-cash flows			
Depreciation and amortisation	3(a)	**303,211**	311,066
Net loss on sale of property, plant and equipment		**617,007**	-
Bad debts written off	6(b)	**11,425**	21,099
Decrease in dog inventory valuation	3(b)	**178,257**	192,360
Increase in accrued bequest revenue		**(323,000)**	(277,000)
Net gain on disposal of investments	2(d)	**(38,252)**	(67,134)
Changes in assets and liabilities			
- decrease/(increase) in trade and other receivables		**718,843**	(88,113)
- increase in prepayments		**(18,871)**	(16,532)
- increase/(decrease) in provisions		**7,134**	(144,776)
- increase in inventories		**(26,633)**	(14,167)
- (decrease)/increase in trade and other payables		**(112,786)**	376,581
Net cash inflow from operating activities		**2,256,391**	1,132,463

(b) Reconciliation of cash

	Notes	2015 $	2014 $
Cash balance comprises:			
Cash at bank and on hand	5	**1,889,141**	3,321,775

5. Cash and Cash Equivalents

		2015	2014
Cash at bank		**1,888,741**	3,319,025
Cash on hand		**400**	2,750
Total cash and cash equivalents	19	**1,889,141**	3,321,775

6. Trade and other receivables

	Notes	2015 $	2014 $
Trade receivables	(a)	**211,022**	232,297
Provision for doubtful debts	(b)	**(10,605)**	(5,612)
		200,417	226,685
Prepayments		**83,387**	64,517
Sundry receivables		**183,655**	559,103
Goods and service tax		**117,589**	5,548
Total trade and other receivables	19	**585,048**	855,853

Included in trade receivables as at 30 June 2015 are balances owing from relating parties amounting to $31,126 (2014: $47,601) (see Note 21).

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.

(a) Aged analysis

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

	2015 $	2014 $
0-30 days	**156,847**	139,919
31-60 days	**33,598**	80,867
61-90 days	**6,721**	5,669
90+ days	**13,856**	5,842
	211,022	232,297

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.

(b) Movement in the provision for doubtful debts is as follows:

	2015 $	2014 $
As at 1 July	**5,612**	9,543
Charge for the year	**16,418**	17,168
Written off	**(11,425)**	(21,099)
As at 30 June	**10,605**	5,612

7. Inventories

	2015	2014
	$	$
Finished goods	**104,647**	78,014
Guide dogs and dogs in training	**660,779**	839,036
	765,426	917,050

The amount of inventory recognised as expense during the year ended 30 June 2015 was $2,221,581 (year ended 30 June 2014: $2,941,871).

8. Financial Assets

		2015	2014
	Notes	**$**	$
Current			
Financial assets available-for-sale		**2,246,626**	1,741,326
Non-current			
Financial assets available-for-sale		**1,809,820**	843,081
Total	19	**4,056,446**	2,584,407

9. Property, plant and equipment

		2015	2014
	Notes	**$**	$
Buildings			
At cost		**6,713,218**	5,526,437
Less accumulated depreciation		**(744,101)**	(941,805)
Total buildings	9(a)	**5,969,117**	4,584,632
Plant and equipment			
At cost		**2,099,566**	2,063,720
Less accumulated depreciation		**(1,397,140)**	(1,319,027)
Total plant and equipment	9(a)	**702,426**	744,693
Total property, plant and equipment			
At cost		**8,812,784**	7,590,157
Less accumulated depreciation		**(2,141,241)**	(2,260,832)
Total property, plant and equipment		**6,671,543**	5,329,325

9. Property, plant and equipment (continued)

(a) Movements in carrying amounts:

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

Buildings		
Carrying amount at beginnings	**4,584,632**	4,772,599
Additions at cost	**2,122,980**	72,180
Write down of buildings	**(616,885)**	-
Reclassification	**23,202**	(113,597)
Depreciation expense	**(144,812)**	(146,550)
Net carrying value	**5,969,117**	4,584,632
Plant and equipment		
Carrying amount at beginnings	**744,693**	640,067
Additions at cost	**105,208**	109,851
Write down of plant and equipment	**(122)**	-
Reclassification	**(23,202)**	113,597
Depreciation expense	**(124,151)**	(118,822)
Net carrying value	**702,426**	744,693

10. Intangible Assets

	Notes	2015 $	2014 $
Computer software			
At cost		**214,780**	214,780
Accumulated amortisation	10(a)	**(202,490)**	(174,698)
Total Intangible Assets		**12,290**	40,082

(a) Movements in carrying amounts:

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

Computer software		
Carrying amount at beginning	**40,082**	79,320
Amortisation charge	**(27,792)**	(39,238)
Net carrying value	**12,290**	40,082

11. Investment Property

	2015	2014
	$	$
Investment property		
Investment property – at valuation	**230,000**	230,000
Accumulated depreciation	**(39,201)**	(32,475)
Closing balance as at 30 June	**190,799**	(174,698)

(a) Movements in carrying amounts:

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

	2015	2014
Investment property		
Carrying amount at beginning	**197,255**	215,000
Depreciation charge	**(6,456)**	(17,745)
Net carrying value	**190,799**	197,255

Investment property comprises of a commercial property that is leased to a third party. Rental revenue from investment property during the year amounted to $36,629 (2014: $32,697). The fair value of the property is based on an independent valuation on 2 September 2014.

12. Trade and other payables

		2015	2014
	Notes	**$**	$
Trade payables	(i)	**635,913**	518,445
Other payables	(ii)	**73,399**	227,703
Related party payables	(iii)	**6,526**	8,138
Deferred revenue	(iii)	**38,509**	-
Fringe benefits tax payable		**10,191**	15,111
Withholding tax payable		**68,194**	58,534
Total trade and other payables	19	**832,732**	827,931

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

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

(iii) For terms and conditions relating to related party payables refer to Note 21.

13. Provisions

	2015	2014
	$	$
Current		
Employee benefits - Long service leave	**475,569**	439,140
Employee benefits – Annual leave	**354,040**	367,892
Total current employee benefits	**829,609**	807,032
Non-current		
Employee benefits - Long service leave	**72,183**	87,626
Total Provisions	**901,792**	894,658

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

Analysis of total provisions

	Long service leave	Annual Leave	Total
	$	$	$
Opening balance at 1 July 2014	526,766	367,892	894,658
Additional provision raised during the year	110,351	466,848	577,199
Amounts used	(89,365)	(480,700)	(570,065)
Balance at 30 June 2015	**547,752**	**354,040**	**901,792**

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 2015 include an amount of $660,779 (2014: $839,036) 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 2015, the total amount that members of the company are liable to contribute if the company is wound up is $1,580 (2014: $1,560).

16. Remuneration of Directors

Directors are not eligible and have not been remunerated for their services (2014: Nil).

17. Remuneration of Auditors

	2015	2014
	$	$
Amount received or due and receivable by the auditors for:		
Audit services	**42,000**	47,000

18. Commitments

	Notes	2015	2014
	Notes	**$**	$
Motor vehicles and office equipment operating leases	(i)	**588,130**	343,768
Property lease	(ii)	**119,678**	114,583
Total lease commitments		**707,808**	458,351
Total lease commitments are payable as follows:			
- not later than one year		**237,673**	230,260
- later than one year and not later than two years		**218,191**	110,518
- later than two years and not later than five years		**251,944**	117,573
		707,808	458,351

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

(ii) Guide Dogs Victoria has entered into a rental agreement for a regional office. The related commitment includes an amount of $60,577 (2014:$76,389) that will be recouped under a sub-lease.

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:

	Notes	2015 $	2014 $
Financial Assets			
Cash and cash equivalents	5	**1,889,141**	3,321,775
Trade and other receivables*	6	**501,661**	791,336
Available-for-sale financial assets	8	**4,056,446**	2,584,407
Total financial assets		**6,447,248**	6,697,518
Financial Liabilities			
Trade and other payables**	12	**794,223**	827,931
Total financial liabilities		**794,223**	827,931

*excludes prepayments

**excludes deferred revenue

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.

19. Financial Risk Management (continued)

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.

	2015	2014
	$	$
Cash and cash equivalents		
A-1+p	**124,773**	2,146,486
A-1	**1,414,368**	975,289
A-2	**350,000**	200,000
	1,889,141	3,321,775

(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 maturity analysis

	Within 1 Year		**1 to 5 Years**		**Total**	
	2015 $	2014 $	**2015 $**	2014 $	**2015 $**	2014 $
Financial liabilities due for payment						
Trade and other payables**	**794,223**	827,931	**-**	-	**794,223**	827,931
Total expected outflows	**794,223**	827,931	**-**	-	**794,223**	827,931

**excludes deferred revenue

(c) Market risk

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.

19. Financial Risk Management (continued)

(c) Market risk (continued)

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 listed investments are held in the following sectors at reporting date:

	2015	2014
	$	$
Energy	**99,625**	172,230
Materials	**206,705**	220,955
Industrials	**116,950**	36,433
Consumer	**142,984**	143,242
Health Care	**179,610**	28,949
Financials	**679,466**	494,050
Utilities	**122,800**	55,457
Telecommunication	**69,300**	104,283
Property	**128,634**	20,400
International global share fund	**500,552**	233,369
Total	**2,246,626**	1,509,368

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 net gain 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.

	Net gain	Equity
	$	$
Year ended 30 June 2015		
0.5% (50 Bps) in interest rates	**18,495**	**-**
5.0% (500 Bps) in listed investments	**112,331**	**112,331**
Year ended 30 June 2014		
0.5% (50 Bps) in interest rates	21,984	-
5.0% (500 Bps) in listed investments	75,468	75,468

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.

19. Financial Risk Management (continued)

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 values are those amounts 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.

		2015		2014	
	Notes	**Net Carrying Value $**	**Net Fair Value $**	Net Carrying Value $	Net Fair Value $
Financial assets					
Cash and cash equivalents	(i)	1,889,141	1,889,141	3,321,775	3,321,775
Trade and other receivables*	(i)	501,661	501,661	791,336	791,336
		2,390,802	2,390,802	4,113,111	4,113,111
Available-for-sale financial assets					
- listed investments	(ii)	2,246,626	2,246,626	1,509,368	1,509,368
Available-for-sale financial assets					
- government and fixed interest securities	(ii)	1,809,820	1,809,820	1,075,039	1,075,039
Total financial assets		6,447,248	6,447,248	6,697,518	6,697,518
Financial liabilities					
Trade and other payables**	(i)	794,223	794,223	827,931	827,931
Total financial liabilities		794,223	794,223	827,931	827,931

*excludes prepayments

**excludes deferred revenue

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

(i) 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.

19. Financial Risk Management (continued)

Net Fair Values (continued)

Fair value estimation (continued)

(ii) For available-for-sale financial assets, the closing quoted bid prices at the end of the reporting period are used.

The company measures and recognises available-for-sale financial assets at fair value on a recurring basis after initial recognition.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

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).

Recurring fair value measurements

	Level 1 $	Level 2 $	Level 3 $	Total
2015				
Financial Assets				
Available-for-sale financial assets				
- shares in listed investments	**2,246,626**	-	-	**2,246,626**
- government and fixed interest securities	**1,809,820**	-	-	**1,809,820**
2014				
Financial Assets				
Available-for-sale financial assets				
- shares in listed investments	1,509,368			1,509,368
- government and fixed interest securities	1,075,039			1,075,039

20. Key Management Personnel

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

	2015	2014
	$	$
Short-term employee benefits	**264,484**	281,449
Post employment benefits	**25,479**	5,874
Other long term benefits	**10,086**	11,355
Total compensation	**300,049**	298,678

21. Related Parties

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

- R A Walker
- J Rayner
- B Porter
- B Amsden
- I Edwards
- G Houghton
- S Scott
- V Shields (1 July 2014 to 3 October 2014)
- C Thompson (30 October 2014 to 30 June 2015)
- G Williams

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 Australia.

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

	Sales to ($)		Purchases from ($)		Other transactions from ($)		Owing to ($)		Owing By ($)	
Related Party	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Guide Dogs QLD	**-**	-	**-**	-	**56,588**	65,842	**5,290**	3,294	**10,286**	5,699
Guide Dogs NSW/ACT	**40,000**	191,114	**-**	6,536	**56,632**	36,577	**1,236**	4,069	**9,258**	39,402
Guide Dogs SA/NT	**59,992**	12,100	**-**	-	**-**	11,486	**-**	775	**1,220**	2,500
Royal Guide Dogs Association of Tas.	**-**	36,928	**-**	-	**-**	1,276	**-**	-	**-**	-
Assoc. for the Blind of WA Inc	**61,533**	60,900	**-**	-	**-**	3,999	**38,509***	-	**10,362**	-
Total	**161,525**	301,042	**-**	6,536	**113,220**	119,180	**45,035**	8,138	**31,126**	47,601

*Deferred Revenue.

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

21. Related Parties (continued)

For the year ended 30 June 2015, 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.

22. Capital Management

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its mobility programs and that returns from investments are maximised within tolerable risk parameters. The Audit and Risk Management Committee of the Board ensures that the overall risk management strategy is in line with this objective.

The Audit and Risk Management Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The company's capital is its total assets less total liabilities.

Management effectively manages the company's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. The company currently holds no debt, however any debt in response to changes would be approved by the Board of Directors.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain a diversified portfolio of investments that maximise returns while holding no debt.

23. Company Details

The registered office of the company is:

Guide Dogs Victoria
Chandler Highway, Kew, Vic 3101

Guide Dogs Victoria Directors' Declaration

30 June 2015

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

1. The financial statements and notes, as set out on pages 9 to 30, are in accordance with the Australian Charities and Not-for-profit Commission Act 2012 and:
   (a) comply with Australian Accounting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director..

Russell A Walker, President

Director..

Bruce Porter, Hon. Treasurer

Dated this 30th day of September 2015

Independent Auditor's Report

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

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 2015 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.

Directors' Responsibility for the Financial Report

The responsible entities are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The responsible entities' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have 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 is free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion the financial report of Guide Dogs Victoria Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
b. complying with Australian Accounting Standards to the extent described in Note 1, and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

ShineWing Australia

ShineWing Australia Chartered Accountants

Scott Phillips, Partner
Melbourne, 30 September 2015

Performance Statement

Financial Year ending 30 June 2015

Key Performance Indicators	2014/15 Actual	2014/15 Target	Variance from Target %	Note	2013/14 Actual	Variance from Prior Financial Year Target	Note
Service							
Training & Support Programs Delivered	2,751	2,613	5%		2,570	7%	
Clients Assisted	1,537	1,501	2%		1,480	4%	
Allocation of fully trained Guide Dogs and Pets as Therapy Dogs	53	55	(4%)		50	6%	
Number of Guide Dog users	213	220	(3%)		206	3%	
People							
Employee Engagement	94%	>85%	9%		87%	7%	
Volunteer Engagement	90%	>85%	5%		90%	0%	
Lost Time Injury Frequency Rate	11	5	120%	4	6	83%	4
Finance							
Operating Result	940,056	675,818	39%	5	839,079	12%	8
Operating Result prior to Capital Purpose Income	(136,512)	(767,245)	82%	6	732,079	(119%)	9
Working Capital Position	3,823,900	4,400,834	(13%)	7	5,201,041	(26%)	10
Environment							
Water Consumption Volume purchased kl	3,909	None	Nil	2	4,318	(9%)	2
Waste water spills	0	None	Nil	2	0	0	2

Notes to the Performance Statement

For the Year Ended 30 June 2015

1. This is the first year that Guide Dogs Victoria has produced a Performance Statement.

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

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

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

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

2. Environmental targets have not been set. These will be formalised in 2015/16.

3. The following notes explain material variances (10% or greater) from the 2014/15 financial year actual results to the 2014/15 financial year target and material variances between 2014/15 financial year actual results and 2013/14 financial year actual results.

4. The increase in lost time injury frequency rates from prior year and target is due to an increase in loss time incidents from one to two. Due to the low number of hours worked this small movements equates to a large movement in the rate.

5. The increase in the operating result compared with target was predominately due to higher bequest revenue offset by reduced capital funding and increased write off of property, plant and equipment compared with target.

6. The reduction in the negative operating result compared with target was predominately due to higher bequest revenue offset to some extent by the increased write off of property, plant and equipment compared to target.

7. The decrease in working capital from target is due to the reduction in anticipated funding for capital purposes.

8. The increase in the operating result compared with the result for the previous year is due to higher bequest revenue, offset to some extent by the write off of property, plant and equipment and the impact of a one off contribution from the State Government in 2013/14.

9. The decrease in the operating result prior to capital purpose income compared with the result for the previous year was mainly due to the write off of property, plant and equipment in 2014/15 and the impact of a one off contribution from the State Government received in 2013/14, offset to some extent by larger bequest revenue in 2014/15.

10. The decrease in working capital compared to the prior year is due to the utilisation of cash and financial assets to finance the cost of the upgrade of Guide Dogs Victoria's kennel facility.

Guide Dogs Victoria Directors' Declaration

30 June 2015

The Directors of Guide Dogs Victoria (a company limited by guarantee) declare that in our opinion the accompanying Performance Statement of Guide Dogs Victoria in respect of the financial year ended 30 June 2015, is presented fairly.

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

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

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

Director...

Russell A Walker, President

Director...

Bruce Porter, Hon. Treasurer

Dated this 30th day of September 2015

Independent Auditor's Report

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

To The Members Of Guide Dogs Victoria Limited

The Performance Report

The accompanying performance report for the year ended 30 June 2015 of Guide Dogs Victoria Limited which comprises the performance report, the related notes and the directors' declaration has been audited.

The Directors' Responsibility for the Performance Report

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

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion the performance report of Guide Dogs Victoria Limited in respect of the 30 June 2015 financial year is fairly stated.

ShineWing Australia

ShineWing Australia Chartered Accountants

Scott Phillips, Partner
Melbourne, 30 September 2015

Guide Dogs
VICTORIA