Guide Dogs Victoria Annual Report

Financial Report for the Year Ended 30 June 2019

2019

Guide Dogs VICTORIA

Guide Dogs Victoria

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For the Year Ended 30 June 2019

Guide Dogs Victoria

Directors' Report

30 June 2019

The Board of Guide Dogs Victoria (the Company) is pleased to present the Directors' Report for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

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

OBJECTIVES AND STRATEGIES

Long Term Objective

The first choice of people with blindness and low vision in the provision of services that enable a lifetime of independence.

Strategies

To achieve this objective, the Company has adopted the following strategies:

- Be the "First Choice" provider of services for people with low vision and blindness.
- Build a diverse Fundraising Portfolio along with profitable Commercial Enterprises to enable investment in research and be the "First Choice".
- Ensure brand remains strong and clearly understood as market differentiators to ensure we are the first choice for clients, referrers/partners and donors.
- Maintain a highly engaged flexible workforce committed to delivering quality services to our clients in a safe environment.
- Operate at optimal productivity levels which ensures maximum utilisation of revenue and resources.

PERFORMANCE MEASURES

Guide Dogs Victoria operations for the financial year in meeting its services to clients recorded a deficit of $748,027. During 2018/19, Guide Dogs Victoria serviced 1,228 clients.

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.

REVIEW OF OPERATIONS

Guide Dogs Victoria recorded a deficit for the financial year. This deficit includes $1,521,585 of accelerated depreciation expense in preparation for the campus redevelopment and for the closure of social enterprise Dialogue in the Dark. Revenue of $4,312,554 has been received to go toward the campus redevelopment. The balance sheet includes a reserve for these capital funds. Operating cash balances are being closely monitored to ensure non capital works are adequately funded.

SUBSEQUENT EVENTS

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Guide Dogs Victoria

Directors' Report

30 June 2019

DIRECTORS' MEETINGS

The number of meetings of Directors (including Audit & Risk Management (A&RM), Membership (M'Ship), Remuneration (Rem), and Marketing & Fundraising (M&F) Committees, Nominations (Nom) Committee and Future is in Sight (FIIS) Committee held during the financial year, and the number of meetings attended by each Director was as follows:

	Directors Mtgs	A & RM Mtgs	Nom Mtgs	Rem Mtgs	M&F Mtgs	FIIS Mtgs
Number of meetings held	**7**	**4**	**1**	**2**	**1**	**5**
Iain Edwards (Chairperson)	7	-	1	2	-	5
Charles Thompson (Vice Chairperson)	6	-	1	1	-	-
David Cochrane	6	3	-	1	-	5
Jenny Gray	6	-	-	-	-	3
Graeme Houghton (retired March 19)	4	-	-	-	-	-
Anthony Kearns	5	1	-	-	1	-
Maria Mercurio (retired August 18)	1	-	-	-	-	-
Angela Wheelton	5	-	1	-	1	-
Bruce Brook (commenced September 18)	5	3	-	1	-	4
Harish Rao (commenced September 18)	4	2	-	-	1	-
Nick Mesher (commenced February 19)	3	1	-	-	-	3

Iain Edwards was appointed as Chairperson and Charles Thompson was appointed as Vice Chairperson at the Annual General Meeting held 27 November 2018.

Committee membership

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

* David Cochrane (Chair) – Resigned as Chair September 2018
* Bruce Brook (Chair) – Appointed as Chair from September 2018
* Harish Rao – Appointed from September 2018
* Nick Mescher – Appointed from September 2018
* Jenny Gray – Resigned in September 2018
* Anthony Kearns – Resigned in September 2018

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

* Iain Edwards (Chair)
* Charles Thompson
* Angela Wheelton

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not-for-profits* Commission *Act 2012*, for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

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

Director: ....
Iain Edwards, Chairperson

Director: ....
Bruce Brook, ~~Chair, Audit~~ and Risk Management Committee

Dated this 24th day of September 2019

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The Board of Directors
Guide Dogs Victoria
Chandler Highway
Kew VIC 3101

24 September 2019

Dear Board Members

Guide Dogs Victoria

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Guide Dogs Victoria.

As lead audit partner for the audit of the financial statements of Guide Dogs Victoria for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Isabelle Lefevre
Partner
Chartered Accountant

Guide Dogs Victoria

Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue			
Fundraising and gift in wills	2(a)	**9,191,277**	**11,929,830**
Funding for capital purposes		**4,312,554**	**3,318,996**
Revenue from merchandise sales		**1,233,736**	**1,579,285**
Revenue from the provision of dogs and orientation mobility services	2(b)	**4,051,774**	**3,303,027**
Rental revenue		**51,308**	**60,736**
Finance and investment revenue	2(c)	**485,160**	**225,643**
Other income		**8,218**	**94,091**
Total Revenue		**19,334,027**	**20,511,608**
Expenditure			
Fundraising and gift in wills		**(3,266,484)**	**(3,290,297)**
Cost of merchandise sales		**(1,492,629)**	**(1,841,100)**
Cost of provision of dogs and mobility services	3(b)	**(10,665,041)**	**(9,359,023)**
Community information and public education	3(c)	**(2,237,240)**	**(2,243,839)**
Corporate services		**(730,048)**	**(688,842)**
Other expenses	3(d)	**(1,690,612)**	**(132,108)**
Total Expenditure		**(20,082,054)**	**(17,555,209)**
(Deficit)/surplus before income tax		**(748,027)**	**2,956,399**
Income tax expense		**-**	**-**
(Deficit)/surplus for the year		**(748,027)**	**2,956,399**
Other comprehensive (loss)/income			
Net unrealised gain on re-measurement of available-for-sale financial assets		**-**	**201,741**
Total comprehensive (loss)/income for the year		**(748,027)**	**3,158,140**

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Financial Position

30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**12,320,051**	**10,223,327**
Trade and other receivables	5	**1,130,515**	**1,227,550**
Inventories	6	**1,344,313**	**1,166,215**
Financial assets	7	**2,003,196**	**2,724,711**
TOTAL CURRENT ASSETS		**16,798,075**	**15,341,803**
NON-CURRENT ASSETS			
Financial assets	7	**855,855**	**938,333**
Property, plant and equipment	8	**6,535,227**	**8,412,377**
Intangible assets	9	**-**	**-**
Investment property	10	**1,050,000**	**1,162,215**
TOTAL NON-CURRENT ASSETS		**8,441,082**	**10,512,925**
TOTAL ASSETS		**25,239,157**	**25,854,728**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**716,932**	**693,089**
Provisions	12	**1,247,712**	**1,037,097**
TOTAL CURRENT LIABILITIES		**1,964,644**	**1,730,186**
NON-CURRENT LIABILITIES			
Provisions	12	**54,955**	**156,957**
TOTAL NON-CURRENT LIABILITIES		**54,955**	**156,957**
TOTAL LIABILITIES		**2,019,599**	**1,887,143**
NET ASSETS		**23,219,558**	**23,967,585**
ACCUMULATED FUNDS			
Reserves	13	**18,557,537**	**14,799,791**
Retained earnings		**4,662,021**	**9,167,794**
TOTAL ACCUMULATED FUNDS		**23,219,558**	**23,967,585**

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Retained Earnings $	General Reserve $	Capital Reserve $	Financial Asset Reserve $	TOTAL $
Balance at 1 July 2017	9,512,488	4,800,000	6,192,939	304,018	20,809,445
Surplus for the year	2,956,399	-	-	-	2,956,399
Other comprehensive income	-	-	-	201,741	201,741
Transfer to Capital Reserve	(3,301,093)	-	3,301,093	-	-
Balance at 30 June 2018	**9,167,794**	**4,800,000**	**9,494,032**	**505,759**	**23,967,585**

	Retained Earnings $	General Reserve $	Capital Reserve $	Financial Asset Reserve $	TOTAL $
Balance at 1 July 2018	9,167,794	4,800,000	9,494,032	505,759	23,967,585
First time adoption of AASB 9 *Financial Instruments*	505,759	-	-	(505,759)	-
Adjusted balance at 1 July 2018	9,673,553	4,800,000	9,494,032	-	23,967,585
Deficit for the year	(748,027)	-	-	-	(748,027)
Other comprehensive income	-	-	-	-	-
Transfer to Capital Reserve	(4,263,505)	-	4,263,505	-	-
Balance at 30 June 2019	**4,662,021**	**4,800,000**	**13,757,537**	**-**	**23,219,558**

The accompanying notes form part of these financial statements.

Guide Dogs Victoria

Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and donors		**13,304,002**	**15,897,601**
Payments to suppliers and employees		**(17,855,478)**	**(16,802,037)**
Interest received		**81,197**	**225,643**
Special project donations		**4,312,554**	**3,318,996**
Receipt of government grants		**1,368,119**	**2,862,368**
Dividends received		**135,768**	**125,122**
Net cash inflows from operating activities		**1,346,162**	**5,627,693**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net proceeds/(payment) for financial assets designated at FVTPL		**1,008,548**	**(400,859)**
Payment for investment property		**-**	**(112,215)**
Payment for property, plant and equipment		**(257,985)**	**(335,824)**
Net cash inflows / (outflows) in investing activities		**750,563**	**(848,898)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash outflows in financing activities		**-**	-
Net cash increase in cash and cash equivalents held		**2,096,724**	**4,778,795**
Cash and cash equivalents at beginning of year		**10,223,327**	**5,444,532**
Cash and cash equivalents at end of financial year	4	**12,320,051**	**10,223,327**

The accompanying notes form part of these financial statements.

1 Summary of significant accounting policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010 - 2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The Company is a not-for-profit Company for financial reporting purposes under the Australian Accounting Standards. The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

(b) Revenue and Other Income

Revenue is recognised where it can be reliably measured in the period to which it relates.
Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

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

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

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

Donations are recognised as revenue when received.

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

(c) Inventories

Inventory is represented by puppies and dog in training, and finished goods for merchandise products sold through the commercial activities of the Company.

Puppies and dogs in training are valued at the lower of cost or current replacement cost and net realisable value in accordance with Australian Accounting Standards. The cost of puppies and dogs in training comprises all costs directly related to the production of guide dogs with carrying values of these dogs expensed when they are matched and provided to clients or removed from the program. At that point the control transfers to the client and the puppies and dogs in training are derecognized from inventory. Where guide dogs are directly funded the corresponding revenue will be accounted for in line with the revenue recognition policy. Where the guide dog is unfunded no revenue is recognised, however a number of donations or sponsorships are linked to support the production of these guide dogs.

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 condition.

(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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(e) Financial Instruments (continued)

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)
Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)
Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. No investments are currently measured at FVTOCI.

(iv) Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Net gain/(loss) arising on financial assets measured at FVTPL" line.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(e) Financial Instruments (continued)

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities

Financial liabilities

- *Financial liabilities at FVTPL*

  Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

- *Financial liabilities measured subsequently at amortised cost*

  The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(f) Employee Benefits

Short-term employee provisions

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

Other long-term employee provisions

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

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

(g) Accumulated Funds

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

(h) Property, Plant and Equipment

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

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

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

Buildings, plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is controlled by Guide Dogs Victoria.

Depreciation

Building, plant and equipment is depreciated on a straight line method over the expected useful lives of the assets commencing from the time the asset is held ready for use. Capital works in progress are not depreciated until the asset is available for use. The following estimated useful lives are used in the calculation of depreciation.

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

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

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

(i) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

Gains and losses arising from changes in the fair value of investment properties are included in ‘profit or loss’ in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in ‘profit or loss’ in the period in which the property is derecognised.

(i) 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'.

(j) Trade and Other Payables

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

(k) 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.

(l) 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.

(m) Intangible Assets Critical Accounting Estimates and Judgements

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

Valuation of guide dogs

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

Depreciation

Useful lives and residual value of buildings, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of buildings, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation expenditure (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

(n) Financial Risk Management

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

(o) 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.

(p) Comparative Figures

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

(q) Adoption of New and Revised Accounting Standards

(i) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 9 *Financial Instruments* and related amending standards
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

AASB 9 Financial Instruments and related amending Standards

In the current year, the Company has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018.

AASB 9 introduced new requirements for:

The classification and measurement of financial assets and financial liabilities, and impairment of financial assets

The entity has the following financial instruments:

- Trade and other receivables
- Trade and other payables
- Investments in listed securities and managed funds

Classification and measurement of financial assets

The Company has adopted AASB 9 for the first time in the current year. Upon adoption, the Company determined Investments which were previously recognised as available for sale investments will now be treated as 'fair value through profit and loss' ('FVTPL').

Impairment of financial assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company's financial assets do not have a significant financing component. Therefore, the Company has adopted the simplified approach for measuring expected credit losses at an amount equal to lifetime expected loss allowance for its financial assets.

The assessment of impairment of financial assets under AASB 9 didn't have an impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income as at 1 July 2018.

(ii) New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 15 Revenue from Contracts with Customers	1 July 2019
AASB 16 *Leases*	1 July 2019
AASB 1058 Income of Not-for-Profit Entities	1 July 2019
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 July 2019

In addition, at the date of authorization of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

Standard/amendment	Effective for annual reporting periods beginning on or after
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (except for certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when it becomes effective.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by a Company.

Key requirements of AASB 1058:

Upon initial recognition of the asset, this Standard requires the Company to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

(a) contributions by owners;
(b) revenue, or a contract liability arising from a contract with a customer;
(c) a lease liability;
(d) a financial instrument; or
(e) a provision.

These related amounts are accounted for in accordance with the applicable Australian Accounting Standard.

The Standard also prescribes specific accounting requirements for transaction which is a transfer of a financial asset to enable a Company to acquire or construct a recognisable non-financial asset to be controlled by the Company (i.e. an in-substance acquisition of a non-financial asset) and volunteer services.

Entities can choose to apply this Standard retrospectively (which requires restatement of comparatives with certain practical expedients allowed) or to use a modified approach (where comparatives are not restated but the cumulative effect of initial application will be adjusted through opening retained earnings on the date of initial application).

Key requirements of AASB 16 leases:

AASB 16 Leases is effective for years commencing on or after 1 July 2019. AASB 16 eliminates the classification of leases as either operating leases or finance leases for lessees as required by AASB 117 Leases and instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

On initial application of AASB 16, for all leases (except as noted below), the Company will:

(a) Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
(b) Recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
(c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

The potential impact of these standards have not yet been determined

	Note	2019 $	2018 $
2 Revenue			
(a) Fundraising and gift in wills			
Donations		5,899,063	5,892,013
Gift in wills		3,292,214	6,037,817
Total fundraising and gift in will revenue		9,191,277	11,929,830
(b) Revenue from provision of dogs and orientation mobility services			
Government grants for services		1,368,119	1,929,715
Provision of in-kind goods		141,734	156,548
Revenue from sale of dogs and provision of services		2,541,921	1,216,764
Total revenue from provision of dogs and mobility services		4,051,774	3,303,027
(c) Finance Revenue			
Bank interest		81,197	114,178
Dividend income and gains from investments		403,353	110,705
Other		610	760
Total finance revenue		485,160	225,643

	Note	2019 $	2018 $
3 Expenditure			
(a) Total expenditure items include			
Defined contribution plan superannuation		**897,242**	**835,173**
Employee benefits expense		**9,656,839**	**8,891,839**
Total depreciation and amortisation		**2,135,135**	**608,865**
Fundraising activity aimed at enhancing the associated returns in future years		**1,237,123**	**700,323**
(b) Cost of provision of dogs and mobility services			
Cost of guide dog services		**4,873,641**	**4,431,711**
(Increase)/decrease in dog inventory valuation		**(133,232)**	**163,414**
Cost of mobility services		**5,924,632**	**4,763,898**
Total cost of the provision of dogs and mobility services		**10,665,041**	**9,359,023**
(c) Cost of community information and public education			
Dialogue in the Dark		**1,419,426**	**1,404,921**
General community information and public education		**817,814**	**838,918**
Total cost of community information and public education		**2,237,240**	**2,243,839**
(d) Other expenses:			
(Gain)/loss on disposal of property, plant and equipment		**(2,000)**	**66,607**
Management cost		**12,428**	**20,616**
Fringe benefit expense		**39,819**	**36,012**
Fair value decrease in investment property		**112,215**	**-**
Accelerated depreciation	(i)	**1,521,585**	**-**
Bad and doubtful debts		**6,565**	**8,873**
Total other expenses		**1,690,612**	**132,108**

(i) Accelerated depreciation relates to the closure of the Dialogue in the Dark social enterprise and accelerating depreciation in preparing for the campus redevelopment.

	Note	2019 $	2018 $
4 Cash and Cash Equivalents			
Cash at Bank		**12,319,651**	**10,222,727**
Cash on Hand		**400**	**600**
Total Cash and Cash Equivalents		**12,320,051**	**10,223,327**

	Note	2019 $	2018 $
5 Trade and other receivables			
Trade receivables	(a)	**489,290**	**226,905**
Provision for doubtful debts	(b)	**(2,285)**	**(5,219)**
		487,005	**221,686**
Prepayments		**20,191**	**44,425**
Sundry receivables		**666,247**	**856,272**
Goods and service tax		**(42,928)**	**105,167**
Total trade and other receivables		**1,130,515**	**1,227,550**

(i) Included in trade receivables as at 30 June 2019 are balances owing from relating parties amounting to $12,574 (2018: $15,228) (see Note 20).

(a) Aged analysis

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

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

0-30 days	**327,193**	**56,266**
31-60 days	**13,969**	**35,075**
61-90 days	**4,260**	**23,756**
90+ days	**143,868**	**111,808**
	489,290	**226,905**

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.

	Note	2019 $	2018 $
5 Trade and other receivables (continued)			
(b) Movement in the provision for doubtful debts is as follows:			
As at 1 July		5,219	3,261
Charge for the year		6,565	8,873
Written off		(9,499)	(6,915)
As at 30 June		2,285	5,219

6 Inventories

	2019 $	2018 $
Finished goods	150,310	105,444
Puppies and dogs in training	1,194,003	1,060,771
	1,344,313	1,166,215

The amount of inventory recognised as an expense during the year ended 30 June 2019 was $1,083,400 (year ended 30 June 2018: $1,641,531).

7 Financial Assets

	Note	2019 $	2018 $
CURRENT			
Financial assets held at fair value through profit or loss		2,003,196	2,724,711
NON-CURRENT			
Financial assets held at fair value through profit or loss		855,855	938,333
Total	18	2,859,051	3,663,044

8 Property, plant and equipment

	Note	2019 $	2018 $
Buildings			
At cost		8,858,315	8,917,962
Less: accumulated depreciation		(3,475,926)	(1,548,783)
Total buildings	8(a)	5,382,389	7,369,179
Capital works in progress			
At cost		555,082	380,365
Less: accumulated depreciation		-	-
Total capital works in progress	8(a)	555,082	380,365
Plant and equipment			
At cost		2,008,035	1,924,768
Less accumulated depreciation		(1,410,379)	(1,261,935)
Total plant and equipment	8(a)	597,656	662,833

8 Property, plant and equipment (continued)

	2019	2018
Total property, plant and equipment		
At cost	11,421,532	11,223,095
Less accumulated depreciation	(4,886,305)	(2,810,718)
Total property, plant and equipment	6,535,227	8,412,377

(a) Movements in carrying amounts

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

	Note	2019 $	2018 $
Buildings			
Carrying amount at beginning		7,369,179	7,593,622
Additions at cost		-	105,162
Recognition of make good asset		-	80,000
Accelerated depreciation expense		(1,521,585)	-
Depreciation expense		(465,205)	(409,605)
Net carrying value		5,382,389	7,369,179
Capital works in progress			
Carrying amount at beginning		380,365	170,006
Additions at cost		174,717	210,359
Net carrying value		555,082	380,365
Plant and equipment			
Carrying amount at beginning		662,833	988,397
Additions at cost		83,268	28,354
Disposal at net written down value		-	(65,425)
Transfer to Investment Property		-	(108,955)
Depreciation expense		(148,445)	(179,538)
Net carrying value		597,656	662,833
Total property, plant and equipment			
Carrying amount at beginning		8,412,377	8,752,025
Additions at cost		257,985	343,875
Recognition of make good asset		-	80,000
Disposal at net written down value		-	(65,425)
Transfer to Investment Property		-	(108,955)
Accelerated depreciation expense		(1,521,585)	-
Depreciation expense		(613,550)	(589,143)
Net carrying value		6,535,227	8,412,377

	Note	2019 $	2018 $
9 Intangible Assets			
Computer software - at cost		**58,687**	**58,687**
Accumulated amortisation		**(58,687)**	**(58,687)**
Total Intangible Assets		**-**	-
10 Investment Property			
Investment property		**1,050,000**	**1,162,215**

(a) Movements in carrying amounts

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

	2019 $	2018 $
Investment property		
Carrying amount at beginning	**1,162,215**	**1,050,000**
Decrease in fair value	**(112,215)**	-
Additions	**-**	**112,215**
Net carrying value	**1,050,000**	**1,162,215**

Investment property at 30 June 2019 comprises of a residential property that was gifted to Guide Dogs Victoria during the year that is to be leased to a third party and has a no sale obligation for five years. Rental revenue from investment property during the year amounted to $28,600. The fair value of the property is based on an independent valuation on 18 June 2019.

11 Trade and other payables

	Note	2019 $	2018 $
Trade payables	(i),(iii)	**339,549**	**393,338**
Other payables	(ii)	**284,720**	**210,146**
Superannuation payable		**92,663**	**89,605**
Total trade and other payables	18	**716,932**	**693,089**

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

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

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

12 Provisions

	2019 $	2018 $
Current		
Employee benefits – Long service leave	**509,263**	**470,912**
Make good provision	**80,000**	**-**
Employee benefits – Annual leave	**658,449**	**566,185**
Total current provisions	**1,247,712**	**1,037,097**
Non-Current		
Employee benefits – Long service leave	**54,955**	**56,957**
Make good provision	**-**	**100,000**
Total non-current provisions	**54,955**	**156,957**
Total Provisions	**1,302,667**	**1,194,054**

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.

13 Reserves

(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 change in classification of the investments has resulted in a fair value gain on available-for-sale financial assets of $505,759 accumulated in the financial assets reserve being reclassified to the opening retained earnings at 1 July 2018, date of initial application of AASB 9.

(c) Capital Reserve

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

14 Liability of Members

Guide Dogs Victoria is a Company limited by guarantee and in accordance with the Memorandum of Association the liability of members in the event the Company being wound up would not exceed $20 per member. As at 30 June 2019, the total amount that members of the Company are liable to contribute if the Company is wound up is $1,160 (2018: $2,560).

15 Remuneration of Directors

Directors are not eligible and have not been remunerated for their services (2018: Nil).

16 Remuneration of Auditors

	2019 $	2018 $
Amount received or due and receivable by the auditors for:		
- Audit services	43,170	39,000

17 Commitments

	2019	2018
Motor vehicles and office equipment operating leases	403,823	874,700
Property lease	196,495	66,500
Total lease commitments	600,318	941,200
Total lease commitments are payable as follows:		
- not later than one year	232,350	583,677
- later than one year and not later than two years	203,444	247,180
- later than two years and not later than five years	164,524	110,343
3	600,318	941,200

(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 rental agreements for 2 regional offices.

18 Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2019 $	2018 $
Financial Assets			
Cash and cash equivalents	4	12,320,051	10,223,327
Trade and other receivables*	5	1,110,324	1,183,125
Financial assets designated as FVTPL	7	2,859,051	3,663,044
Total financial assets		16,289,426	15,069,496
Financial Liabilities at amortised cost			
Trade and other payables	11	716,932	693,089
Total financial liabilities		716,932	693,089

**excludes prepayments*

18 Financial Risk Management (continued)

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

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

Financial Instruments Measured at Fair Value

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

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

	Level 1 $	Total $
Recurring fair value measurements		
2019		
Financial Assets		
Financial assets designated as FVTPL		
- shares in listed investments	**2,003,196**	**2,003,196**
- government and fixed interest securities	**855,855**	**855,855**
2018	**2,859,051**	**2,859,051**
Financial Assets		
Available-for-sale financial assets		
- shares in listed investments	**2,724,711**	**2,724,711**
- government and fixed interest securities	**938,333**	**938,333**
	3,663,044	**3,663,044**

19 Key Management Personnel Remuneration

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

	2019 $	2018 $
Key Management Personnel	**567,459**	517,688

20 Related Parties

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

I Edwards
C Thompson
D Cochrane
J Gray
G Houghton (Retired March 2019)
A Kearns
M Mecurio (Retired August 2018)
A Wheelton
B Brook (Appointed September 2018)
H Rao (Appointed September 2018)
N Mescher (Appointed February 2019)

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	**2019 $**	**2018 $**	**2019 $**	**2018 $**	**2019 $**	**2018 $**	**2019 $**	**2018 $**	**2019 $**	**2018 $**
Guide Dogs Queensland	**51,800**	**47,486**	**-**	**-**	**33,389**	**38,277**	**4,600**	**-**	**-**	**3,793**
Guide Dogs NSW/ACT	**-**	**364**	**-**	**-**	**27,278**	**5,034**	**-**	**-**	**-**	**364**
Guide Dogs SA/NT	**176,342**	**-**	**-**	**-**	**41,820**	**1,683**	**-**	**-**	**-**	**364**
Royal Guide Dogs Association of Tasmania	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Association for the Blind of WA Inc	**9,091**	**48,001**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**364**
Guide Dogs Australia	**115,474**	**163,537**	**-**	**-**	**-**	**-**	**-**	**-**	**12,574**	**10,343**
Total	**352,707**	**259,388**	**-**	**-**	**102,487**	**44,994**	**4,600**	**-**	**12,574**	**15,228**

20 Related Parties (continued)

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

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

21 Company Details

The registered office of the Company is:

Guide Dogs Victoria
Chandler Highway, Kew, Vic 3101

Guide Dogs Victoria

Directors' Declaration

30 June 2019

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

1. The financial statements and notes, as set out on pages 6 to 28, 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 2019 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: ....

Iain Edwards, Chairperson

Director: ....

Bruce Brook, Chair, Audit and Risk Management Committee

Dated this 24th day of September 2019

Deloitte.

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Independent Auditor's Report to the Members of Guide Dogs Victoria

Opinion

We have audited the accompanying financial report of Guide Dogs Victoria (the "Entity"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

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

(a) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report and Directors' Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of the Directors for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

Deloitte.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 24 September 2019

Guide Dogs Victoria Annual Report

Performance Statement
for the Year Ended
30 June 2019

2019

Guide Dogs
VICTORIA

Guide Dogs Victoria

Performance Statement

30 June 2019

KPI	2018/19 Full year Actual	2017/18 Full year Actual	Variance from Prior year	Note
Service				
Training & Support Programs Delivered	3,033	2,602	17%	1
Clients assisted	1,228	1,166	5%	1
Allocation of fully trained Guide Dogs and other Assistance Dogs	65	64	2%	
Number of guide dog users	225	220	2%	
People				
Employee engagement	88%	91%	(3)%	
Volunteer engagement	97%	95%	2%	
Lost Time Injury Frequency rate	3.7	0	>100%	2
Finance				
Operating Result	(748,027)	2,956,399	(125)%	3
Operating Result Prior to Capital Purpose Income	(4,984,533)	(362,657)	(657)%	4
Working Capital Position	14,833,431	13,611,617	5%	

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

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.

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

1. Training & Support Programs Delivered has increased from prior year due to the increased number of clients. Clients have increased as a result of the National Disability Insurance Scheme roll out. In addition to the client increase has been a higher number of programs received per client. This is as a result of additional services being offered to clients, including Assistive Technology which was introduced in the 2018/19 financial year.

2. There was one Lost Time Injury in the 2018/19 financial year which has led to the increase in the Lost Time Injury Frequency Rate. This means Guide Dogs Victoria has 3.7 lost time incidents for every 1 million employee hours.

Guide Dogs Victoria

Performance Statement
30 June 2019

3. The decrease in Operating Result is due largely to the decline in gift in will revenue. This combined with the accelerated depreciation of buildings to prepare for the campus redevelopment and for the closure of the Dialogue in the Dark social enterprise has resulted in the operating deficit. Offsetting these decreases has been in the increase in capital purpose income received.

4. The decrease in the operating result prior to capital purpose income, is mainly due to the decline in gift in will revenue and the accelerated depreciation as noted above.

Directors' Declaration
30 June 2019

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 2019, is presented fairly.

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

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

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

Director ....

Iain Edwards, Chairperson

Director ....

Bruce Brook, Chair Audit and Risk Management Committee

Dated this ....24th.... day of ....September.... 2019

Deloitte.

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Independent Assurance Practitioner's Reasonable Assurance Report on the Performance Statement to the Members

We have undertaken a reasonable assurance engagement relating to the accompanying Performance Statement of Guide Dogs Victoria for the year ended 30 June 2019.

Management's Responsibility for the Performance Statement

Management are responsible for:

- ensuring that the Performance statement is presented in accordance with the accruals basis of accounting and the explanatory notes;
- confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information;
- designing, establishing and maintaining internal controls to ensure that the Performance Statement is presented in accordance with the accruals basis of accounting and the explanatory notes.

Assurance Practitioner's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express an opinion on the Performance Statement based on the procedures we have performed and the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Australian Auditing and Assurance Standards Board in order to express an opinion whether the Performance Statement has been presented, in all material respects, in accordance with the accruals basis of accounting and the explanatory notes. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Performance Statement is free from material misstatement. Our engagement provides reasonable assurance as defined in ASAE 3000.

A reasonable assurance engagement in accordance with ASAE 3000 involves performing procedures to obtain evidence about the measurement of the underlying Key Performance Indicator. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in the Performance Statement. In making those risk assessments, we considered internal control over the preparation of the Performance Statement relevant to the engagement.

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Our reasonable assurance engagement also included, but was not limited to:

- obtaining an understanding of the internal controls relevant to the Performance Statement; and
- tracing KPIs to underlying supporting listings and/or other information and performing sample testing on such listings.

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

Limitations of use

This report is made solely to members in accordance with our engagement letter dated 6 May 2019, for the purpose of providing reasonable assurance to members on the Performance Statement. We disclaim any assumption of responsibility for any reliance on this report to any person other than the members or for any purpose other than that for which it was prepared.

Conclusion

In our opinion, the Performance Statement of Guide Dogs Victoria has been presented, in all material respects, with the accruals basis of accounting and the explanatory notes for the year ended 30 June 2019.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 24 September 2019

Guide Dogs VICTORIA

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