

GUIDE DOGS NSW/ACT

ABN 52 000 399 744

Financial Report for the Financial
Year Ended 30 June 2019

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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These financial statements cover the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiary, Centre for Eye Health Limited. These financial statements are presented in Australian currency.

Guide Dogs NSW/ACT is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is: 2-4 Thomas Street, Chatswood, NSW, 2067.

These financial statements were authorised for issue by the directors on 30 September 2019. The directors have the power to amend and reissue the financial statements.

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereinafter as the Group) consisting of Guide Dogs NSW/ACT and the entity it controlled at the end of or during the financial year ended 30 June 2019.

The following persons were directors and officers of the company at any time during, or since the end of, the year. Unless otherwise stated, the Director was in office for the whole of the financial year and up to the date of this report. All directors are in a non-executive capacity.

Mr Kieran Maurice LANE, President

LLB Hons, LLM

Practising solicitor and a former tax partner at KPMG. Joined the Board in 2012 in a non-executive capacity. Kieran has 20 years' experience at KPMG in several senior management positions including serving as an elected member of the KPMG Board for 6 years. Past activities include acting as a member of the St Joseph's College Finance Committee and a Vice President of the Australia China Business Council. Kieran is a member of the Finance, Audit & Risk Management and the Nomination & Remuneration Sub-committees.

Mrs Linda Vivienne DRUITT, Vice President

BBus (Acc), CPA

Director, Nortons Business Advisors. Joined the Board in 2004. Lindy has more than 30 years' experience in public practice offering business advice, self-managed superannuation and taxation services to small and medium business. Lindy is Chairman of the Finance, Audit & Risk Management Sub-committee and was a member of the Nomination & Remuneration Sub-committee until 24 June 2019.

Mr James BENNETT

B Eng

Mechanical Engineer and self-employed business consultant (Disability Services Auditor). Joined the Board in 2011. James is a client, an experienced Guide Dog user and an advocate for those who are blind or vision impaired. He consults as a Consumer Technical Expert and Lead Auditor for Quality Management Systems (ISO & AS) primarily participating in Disability Services Audits throughout Australia. He also sits on several Advisory Committees with the National Disability Services covering Open Employment and Australian Disability Enterprises. James is a member of the Corporate Governance Sub-committee.

Ms Zorana BULL

MA (Eng, Econ & Mgmt), FAICD

Founding Director of Altura Partners (Strategic Management Consultants - Sydney/Melbourne). Joined the Board in 2010. Zorana has over 25 years of experience in strategy development, operational performance improvement and organisational change. She was previously a Partner with leading global consultancy PA Consulting Group and Chief Operating Officer of the Australian business. Zorana is a Non-Executive Director with Port Authority of NSW, Healthshare NSW, AirRoad Pty Ltd and Fancy Engineering Ltd. She was previously a Non-Executive Director with Moorebank Intermodal Company Limited. Zorana is a member of the Finance, Audit & Risk Management Sub-committee.

Mr Ian Andrew JAMIESON

BCom (Mktg), CPM (AMI), MAICD

Strategic marketing consultant and co-founder of business strategy consultancy firm Marketing Initiatives. Joined the Board in 2008. Ian has over 30 years of experience in marketing and business strategy development, including corporate positions and managing his own consultancy business. He is a Fellow of the Australian Marketing Institute. Ian is Chairman of the Nomination & Remuneration Committee and a member of the Corporate Governance Sub-committee.

Ms. Jacqui JONES (appointed as Director on 27 August 2018)

Director, The Impact Assembly at PwC. Prior to 2018 Jacqui was CEO of the Australian Business and Community Network (ABCN), a coalition of business leaders partnering with schools to improve student outcomes in disadvantaged areas. She joined the Board in 2018 and became a member of the Nomination & Remuneration Sub-committee on the 24 June 2019.

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT (continued)

Mr Steven KOURIS

BEc/LLB, LLM

Lawyer and commercial advisor. Joined the Board in 2010. Steven has extensive corporate governance and leadership, strategic planning and risk management expertise as a non-executive director and board committee member across the health, housing and not-for-profit sector, and augments this with commercial & legal expertise in private, corporate and government practice. He has worked for major national law firms such as King & Wood Mallesons and Allens, advised government departments, and has substantial expertise in major projects, infrastructure & development, building and construction, and property. He is Chairman of the Corporate Governance Sub-committee. He is also an Alternate Director for the Centre for Eye Health, and non-executive director of EIS Health Ltd (the primary health care network for Central & Eastern Sydney) where he chairs the Finance and Audit & Risk Committees.

Mr Hongbin LIU (resigned 27 August 2018)

MAppFin, MA

General Manager of the Industrial and Commercial Bank of China (ICBC) Sydney Branch. Hongbin has over twenty years' experience at ICBC, including serving as the Chief Representative in Australia and General Manager in Italy. Joined the Board in November 2013.

Ms Robin LOW (appointed 24 June 2019)

BCom, FCA, GAICD

Non-Executive Director. Joined the Board in June 2019. Robin brings broad sector experience across financial services, technology, medical research funding, M&A and governance/risk. Robin's executive career was with PricewaterhouseCoopers where she was a partner specialising in audit and risk and led a practice area. She is now a non-executive director and is on the board of four listed companies (APX, AUB, CSV and IPH) and serves as chair of their audit or audit and risk committees. She is also on the board of two other charities, Primary Ethics and Public Education Foundation. Robin has a personal love of dogs, volunteering weekly with her dog, Daphne, at a dementia respite care facility. Robin is a member of the Finance, Audit and Risk Management Sub-Committee.

Dr Anthony Broughton MOSMAN (resigned 24 June 2019)

BVSc

Veterinarian and partner of the Bondi Junction Veterinary Hospital since 1976, the home of the TV series "Bondi Vet". Joined the Board in 1999. Past activities include President of the Australian Veterinary Association, Sydney, and serving on several municipal council animal advisory groups. Tony is a Director for the Centre for Eye Health.

Mr Allan Barry Calvert STEPHEN, OAM

FFA, FIAA, FAICD

Formerly, General Manager Zurich Australia Limited responsible for all aspects of the business. Over 30 years' experience as a Director of unlisted public companies. Joined the Board in 1999. Chairman of the Centre for Eye Health Limited. Currently a member of the Finance, Audit & Risk Management Sub-committee.

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of the Group's board of directors held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

| Board of Directors | Board Meetings | | Finance, Audit & Risk Management Committee meetings | |
|--------------------|--------------------|----------|---|----------|
| | eligible to attend | attended | eligible to attend | attended |
| J. S. Bennett | 9 | 3 | - | - |
| Z. Bull | 9 | 9 | 8 | 8 |
| L. V. Druitt | 9 | 9 | 8 | 8 |
| I. A. Jamieson | 9 | 8 | - | - |
| J. Jones | 9 | 9 | - | - |
| S. Kouris | 9 | 6 | - | - |
| K. M. Lane | 9 | 8 | 8 | 7 |
| H. Liu | 1 | - | - | - |
| R. Low | - | - | - | - |
| A. B. Mosman | 9 | 7 | - | - |
| A. B. C. Stephen | 9 | 8 | 8 | 7 |

| Board of Directors | Nomination & Remuneration Committee Meetings | | Corporate Governance Committee Meetings | |
|--------------------|--|----------|---|----------|
| | eligible to attend | attended | eligible to attend | attended |
| J. S. Bennett | - | - | 1 | 1 |
| Z. Bull | - | - | - | - |
| L. V. Druitt | 1 | 1 | - | - |
| I. A. Jamieson | 1 | 1 | 1 | 1 |
| J. Jones | - | - | - | - |
| S. Kouris | - | - | 1 | 1 |
| K. M. Lane | 1 | 1 | - | - |
| H. Liu | - | - | - | - |
| R. Low | - | - | - | - |
| A. B. Mosman | - | - | - | - |
| A. B. C. Stephen | - | - | - | - |

Objectives and Strategies

(a) Short Term Objectives

Provide quality and customised orientation and mobility (O&M) services for people with impaired vision in New South Wales (NSW) and the Australian Capital Territory (ACT) including the training and provision of guide dogs. To provide a state-of-the-art eye imaging and diagnostic services to the general public of NSW and the ACT. Both services are provided at no cost to the client.

(b) Long Term Objectives

Expand the provision of appropriate services to people with impaired vision in NSW and the ACT especially focusing on guide dogs, assistive technology, vision loss in children, neurological vision loss, low vision and independent living skills. Work with related guide dog and vision agencies across Australia and worldwide to improve the quality and breadth of the services provided. Reduce the incidence of preventable vision loss amongst the population of NSW and ACT through the provision of eye imaging and diagnostic testing services. Enhance the training and education of optometrists and enable increased research activity using the data collected by the Centre for Eye Health (CFEH).

GUIDE DOGS NSW/ACT

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT (continued)

(c) Strategies

The Group operates within a strategic framework which is reviewed by the Board each year. The current Strategic Plan covers the period to 2022. Through diversification and growth of our revenue streams to achieve financial sustainability, and investment in our people and processes, we aim to increase client satisfaction and support more people who are blind or have a vision impairment to live the life they choose.

(d) Measuring performance

Performance is primarily measured in terms of services delivered – being mobility services (including guide dogs) to the vision impaired and clients assessed by CFEH. Services delivered, referrals, waiting lists and waiting times are monitored. Other key deliverables measured include advocacy and community education for the vision impaired and, at CFEH, education of eye practitioners is also relevant. The other key measure is sustainability which primarily involves measuring and tracking financial Key Performance Indicators, staff and client satisfaction and brand health.

Financial Performance and Results

For the year ended 30 June 2019, the Group operations resulted in a deficit of \$5,255,822 (2018: deficit of \$2,505,524) and Group revenue for the year of \$34,725,332 (2018: \$33,118,542).

This is mainly a result of a decrease in bequest revenue (\$13,367,045 compared to \$17,976,342 in the prior year).

Auditor's Independence Declaration

A copy of the Auditor's independence declaration, obtained as required by section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 5.

This report is made in accordance with a resolution of directors.



K. M. Lane
Director

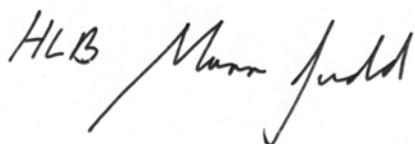
Sydney, NSW
30 September 2019



Auditor's Independence Declaration to the Members of Guide Dogs NSW/ACT

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Guide Dogs NSW/ACT for the year ended 30 June 2019.

This declaration is in relation to Guide Dogs NSW/ACT and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'HLB Mann Judd'.

Sydney, NSW
30 September 2019

HLB Mann Judd
Chartered Accountants

hlb.com.au

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Independent Auditor's Report to the Members of Guide Dogs NSW/ACT**Opinion**

We have audited the financial report of Guide Dogs NSW/ACT ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

In accordance with the provisions of the *Charitable Fundraising Act 1991* and the regulations thereto, any money received as a result of fundraising appeals conducted during the financial year has been properly accounted for and applied with the following provisions:

- (a) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate;
- (b) any money received as a result of fundraising appeals conducted during the year ended 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations thereto;
- (c) the financial report and associated records have been properly kept during the financial year in accordance with the provisions of the *Charitable Fundraising Act 1991* and the Regulations thereto; and
- (d) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

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

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

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

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

hlb.com.au**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

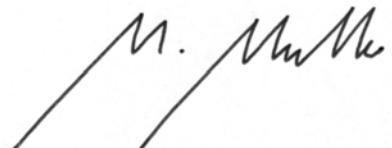
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



HLB Mann Judd
Chartered Accountants

Sydney, NSW
30 September 2019



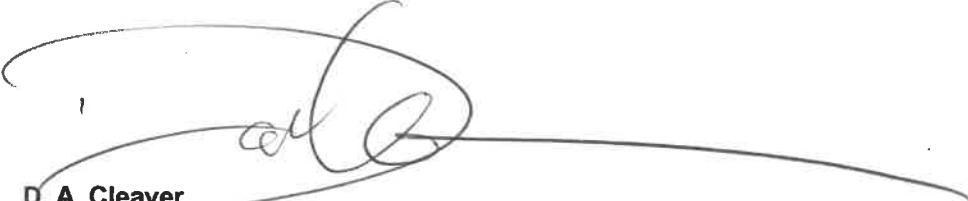
M D Muller
Partner

GUIDE DOGS NSW/ACT

PRINCIPAL OFFICER DECLARATION – CHARITABLE FUNDRAISING ACT 1991

I, Dale Cleaver, Chief Executive Officer of Guide Dogs NSW/ACT declare that in my opinion:

- (a) the attached consolidated financial statements give a true and fair view of all income and expenditure of Guide Dogs NSW/ACT and its controlled entity. The accompanying notes give a true and fair view of all income and expenditure of Guide Dogs NSW/ACT with respect to fundraising appeals; and
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act, 1991, and the regulations and the conditions attached to the authority to fundraise have been complied with; and
- (d) the internal controls exercised by Guide Dogs NSW/ACT and its controlled entity are appropriate and effective in accounting for all income received and applied from any fundraising appeals; and
- (e) accounts and associated records have been properly kept during the year in accordance with this Act; and
- (f) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



D. A. Cleaver
Chief Executive Officer

30 September 2019

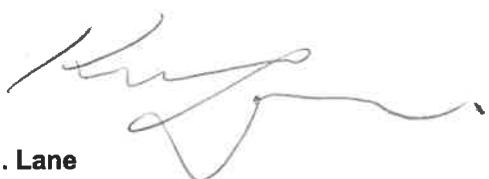
GUIDE DOGS NSW/ACT

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 27 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards – Reduced Disclosure Requirements, and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.

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



K. M. Lane
Director

Sydney, NSW
30 September 2019

GUIDE DOGS NSW/ACT

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Notes | Consolidated | |
|---|-------|---------------------------|---------------------------|
| | | 2019 \$ | 2018 \$ |
| Revenue and other income | | | |
| Revenue from continuing operations | 3(a) | 33,809,631 | 31,979,572 |
| Net gain on non-current assets held at fair value through profit & loss | 3(b) | 1,077,340 | 471,609 |
| Net (loss)/gain on disposal of investments | 3(b) | (470) | 763,362 |
| Net loss on disposal of non-current assets | 3(b) | <u>(161,169)</u> | <u>(96,001)</u> |
| | | <u>34,725,332</u> | <u>33,118,542</u> |
| Expenses | | | |
| Client service costs (Guide Dogs NSW/ACT & CFEH) | | (23,599,098) | (22,337,990) |
| Community education and advocacy | | (135,758) | (469,305) |
| Fundraising overheads including: | | | |
| - Fundraising donor management | | (2,691,368) | (2,300,745) |
| - Planned giving expenditure | | (897,537) | (1,293,198) |
| - Appeal costs | | (4,799,669) | (3,364,367) |
| - Fundraising merchandise | | (85,500) | (84,953) |
| Marketing | | (1,921,597) | (864,315) |
| Governance and administrative services | | <u>(5,850,627)</u> | <u>(4,909,193)</u> |
| | | <u>(39,981,154)</u> | <u>(35,624,066)</u> |
| Net Deficit from continuing activities | | (5,255,822) | (2,505,524) |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>(5,255,822)</u> | <u>(2,505,524)</u> |

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

GUIDE DOGS NSW/ACT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

| | Notes | Consolidated | |
|---|-------|-------------------|-------------------|
| | | 2019 \$ | 2018 \$ |
| Current Assets | | | |
| Cash and cash equivalents | 17 | 4,099,679 | 4,700,738 |
| Trade and other receivables | 4 | 1,206,498 | 1,137,316 |
| Inventories | 5 | 26,691 | 71,405 |
| Other financial assets | 6 | 5,957,121 | 13,007,134 |
| Other current assets | 7 | <u>337,006</u> | <u>250,946</u> |
| Total Current Assets | | <u>11,626,995</u> | <u>19,167,539</u> |
| Non-Current Assets | | | |
| Other financial assets | 6 | 250,008 | 58,281 |
| Financial assets at fair value through profit or loss | 8 | 37,916,780 | 35,312,518 |
| Property, plant and equipment | 9 | 13,858,684 | 14,680,618 |
| Intangibles | 10 | <u>43,372</u> | <u>93,324</u> |
| Total Non-Current Assets | | <u>52,068,844</u> | <u>50,144,741</u> |
| Total Assets | | <u>63,695,839</u> | <u>69,312,280</u> |
| Current Liabilities | | | |
| Trade and other payables | 11 | 1,774,382 | 2,239,486 |
| Employee leave provisions | | <u>1,574,541</u> | <u>1,558,482</u> |
| Total Current Liabilities | | <u>3,348,923</u> | <u>3,797,968</u> |
| Non-Current Liabilities | | | |
| Employee leave provisions | | <u>360,391</u> | <u>387,425</u> |
| Leasehold make good liability | | <u>115,460</u> | <u>-</u> |
| Total Non-Current Liabilities | | <u>475,851</u> | <u>387,425</u> |
| Total Liabilities | | <u>3,824,774</u> | <u>4,185,393</u> |
| Net Assets | | <u>59,871,065</u> | <u>65,126,887</u> |
| Accumulated Funds | | | |
| Accumulated surplus | 12 | 58,515,216 | 65,126,887 |
| Reserves | 13 | <u>1,355,849</u> | <u>-</u> |
| Total Accumulated Funds | | <u>59,871,065</u> | <u>65,126,887</u> |

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

GUIDE DOGS NSW/ACT

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Consolidated | | |
|--|---------------------------------------|------------------------|---|
| | Accumulated Surplus \$ | Reserves \$ | Total Accumulated Funds \$ |
| At 30 June 2017 | <u>67,632,411</u> | - | <u>67,632,411</u> |
| Total comprehensive income | (2,505,524) | - | (2,505,524) |
| At 30 June 2018 | <u>65,126,887</u> | - | <u>65,126,887</u> |
| Net deficit from continuing activities | (5,255,822) | - | (5,255,822) |
| Transfer to reserves | (1,355,849) | 1,355,849 | - |
| Total comprehensive income | (6,611,671) | 1,355,849 | (5,255,822) |
| At 30 June 2019 | <u>58,515,216</u> | 1,355,849 | <u>59,871,065</u> |

The above Statement of Changes in Accumulated Funds is to be read in conjunction with the accompanying notes.

GUIDE DOGS NSW/ACT

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Notes | 2019 \$ | 2018 \$ | Consolidated |
|--|-------|---------------------|---------------------|--------------|
| Cash Flows from Operating Activities | | | | |
| Receipts from: | | | | |
| Bequests | | 12,838,029 | 17,976,342 | |
| Donations and other fundraising income | | 10,201,867 | 8,659,668 | |
| Sale of goods | | 132,590 | 154,141 | |
| Distributions received | | - | 41,216 | |
| Interest received | | 379,882 | 549,246 | |
| Franking credits refunded | | 270,712 | 255,715 | |
| National Disability Insurance Scheme (NDIS), Medicare and other government revenue | | 3,154,547 | 1,632,006 | |
| Other income incl. rent received | | 1,061,014 | 718,909 | |
| Payments to suppliers and employees | | <u>(38,249,067)</u> | <u>(31,671,379)</u> | |
| Net cash (used in)/generated from operating activities | | <u>(10,210,426)</u> | <u>(1,684,136)</u> | |
| Cash Flows from Investing Activities | | | | |
| Payments for property, plant and equipment – Guide Dogs NSW/ACT | | (1,009,709) | (1,801,583) | |
| Payments for property, plant and equipment – Centre for Eye Health | | (97,144) | (174,730) | |
| Proceeds from sale of property, plant and equipment – Guide Dogs NSW/ACT | | 222,093 | 337,515 | |
| Payments for investments | | (208,849) | (5,000,000) | |
| Proceeds on dissolution of Future Fund | 21 | 3,635,843 | - | |
| Proceeds from redemption of investments (net) | | <u>7,067,133</u> | <u>10,009,599</u> | |
| Net cash generated from investing activities | | <u>9,609,367</u> | <u>3,370,801</u> | |
| Net (decrease)/increase in cash held | | (601,059) | 1,686,665 | |
| Cash and cash equivalents at the beginning of the financial year | | <u>4,700,738</u> | <u>3,014,073</u> | |
| Cash and cash equivalents at the end of the financial year | 17 | <u>4,099,679</u> | <u>4,700,738</u> | |

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Guide Dogs NSW/ACT and its subsidiary.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other interpretation issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. Guide Dogs NSW/ACT is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements
The consolidated financial statements of the Guide Dogs NSW/ACT group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the valuation of financial assets at fair value through profit or loss.

Comparative information has been reclassified where appropriate to enhance comparability with the current financial year.

New, revised or amended Accounting Standards and Interpretations adopted

The consolidated entity has applied all new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The main new Accounting Standard and Interpretation that became effective during the current reporting period is as follows:

AASB 9 Financial Instruments (“AASB 9”)

The consolidated entity has adopted AASB 9 from 1 July 2018 which replaces AASB 139 Financial Instruments: Recognition and Measurement. The standard introduced new classification and measurement models for financial assets.

The consolidated entity's financial instruments include cash and cash equivalents, trade and other receivables, financial assets and trade and other payables. The consolidated entity does not apply hedge accounting. On initial application of AASB 9, the consolidated entity determined that its financial assets and liabilities continue to be measured at either fair value through profit or loss or amortised cost (which is the same treatment as the comparative year) and the consolidated entity has applied the simplified approach to measuring expected credit losses of its trade and other receivables. The adoption of AASB 9 has not had a significant effect on the consolidated entity's accounting policies relating to financial instruments or a material impact on the financial performance or position of the consolidated entity.

Comparatives were not required to be restated and no differences were required to be recognised to the opening balance of retained earnings at 1 July 2018 as a result of the adoption of AASB 9.

Other amending Accounting Standards and interpretations

Several other amending Accounting Standards and Interpretations apply for the first time for the reporting period commencing 1 July 2018. These other amending Accounting Standards and Interpretations did not result in any adjustments to the amounts recognised or disclosures in the financial report.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Centre for Eye Health Limited, the subsidiary of Guide Dogs NSW/ACT ("company" or "parent entity") as at 30 June 2019 and the results of the subsidiary for the year then ended. Guide Dogs NSW/ACT and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Investment in the subsidiary is accounted for at cost less any impairment in the individual financial statements of Guide Dogs NSW/ACT.

(c) Revenue Recognition

Bequests and Donations

Guide Dogs NSW/ACT is a not-for-profit organisation. Two major sources of revenue are bequests and donations which by their nature can only be recorded when they are received by the company. Bequests received in the form of investments or other non-cash items are taken into account when received at their estimated market value at the time of receipt.

Trading Revenue

Trading revenue consists of proceeds from the sale of inventory and commission from the marketing of a third party's products and is recorded on an accrual basis.

Government Revenue

Revenue from Government including grants and other revenue (including National Disability Insurance Scheme income) is recognised when the right to receive payment is established according to the particular agreement such as when the significant act underlying the grant agreement has been fulfilled, and the funds have been expended (as applicable) for the grant purpose.

Contract Revenue

Revenue from the provision of goods and services under contract is recognised when the right to receive payment is established according to the particular agreement.

Auxiliaries'/Support Groups' Contributions

At the end of the financial year, the company had four auxiliaries/support groups, who fundraise to benefit Guide Dogs NSW/ACT but otherwise operate independently from it. Net funds received by the company from its auxiliaries or support groups are taken up as income when received.

Changes in the fair value of investments

Net gains or losses on investments at fair value through profit or loss are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend revenue.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(c) Revenue Recognition (continued)

Dividends and distributions

Revenue is recognised when the right to receive payment is established.

Interest income

Revenue is recognised as the interest accrues on the net carrying amount of the financial asset.

(d) Income tax

Guide Dogs NSW/ACT and its subsidiaries are exempt from the payment of income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(e) Leases

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases (note 14). Payments made under operating leases (net of any incentives received from lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Inventories

Finished Goods

Finished goods are valued at lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(j) Property, plant & equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the reporting period in which they are incurred.

Depreciation is provided on property, plant and equipment including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write-off the net cost of each asset over its estimated useful life. The following estimated useful lives are used in the calculation of depreciation:

| | |
|--------------------------------|------------|
| Freehold Buildings | 50 years |
| CFEH leasehold improvements | 4 years |
| Motor Vehicles | 7 years |
| CFEH Diagnostic Equipment | 3-10 years |
| Office Furniture and Equipment | 2-7 years |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) Goods and services tax (GST)

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

- (i) the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- (ii) receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is in receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and activities which is recoverable from, or payable to, the ATO are presented as operating cash flows.

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(l) Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(n) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and is capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and long service leave expected to be wholly settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(o) Intangible assets – computer software

Costs incurred in developing systems and costs incurred in acquiring software and licenses are capitalised as computer software on the basis that they will provide financial benefits in the future. Costs capitalised include license fees, external direct costs of materials and consulting services. The computer software system was estimated in previous years to have a useful life of 15 years and was being amortised in equal amounts over this period. Following a decision taken in the 2017/18 financial year to replace these systems, the remaining useful life was revised to between 1 and 2 years according to the implementation schedule for components of the planned new system. This resulted in accelerated amortisation in the 2017/18 year of \$794,465.

(p) Members' undertaking

Guide Dogs NSW/ACT is a company limited by guarantee and was incorporated on 28 June 1962. In the event of the company being wound up, members' liability is limited to an amount of \$20 per member. At balance date, there were 93 members comprising: 50 ordinary members, 19 honorary members and 24 auxiliary members. At 30 June 2018, there were 100 members comprising: 60 ordinary members, 16 honorary members and 24 auxiliary members.

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(q) Accounts presentation

The classification "Accumulated Funds" has been used in the accounts as the company is limited by guarantee and therefore has no shareholders. It is believed that the use of the classification "Equity" would be misleading.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience 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.

3. PROFIT FROM ORDINARY ACTIVITIES

(a) From continuing operations

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | \$ | \$ |
| <i>Operating Revenue</i> | | |
| Bequests | 13,367,045 | 17,976,342 |
| Donations | 10,415,172 | 8,659,668 |
| Sale of goods | 132,590 | 154,141 |
| Contract services income | 401,123 | 221,032 |
| <i>Other revenue</i> | | |
| Interest | 287,569 | 500,552 |
| Distributions/Dividends including franking credits | 1,393,090 | 2,038,272 |
| National Disability Insurance Scheme (NDIS), Medicare and other government revenue | 3,154,547 | 1,632,006 |
| Future Fund Income | 3,635,843 | - |
| Other income | <u>1,022,652</u> | <u>797,559</u> |
| | <u>33,809,631</u> | <u>31,979,572</u> |

(b) Other income

| | | |
|--|-----------|----------|
| Gains on other financial assets at fair value through profit or loss | 1,077,340 | 471,609 |
| Net (loss)/gain on disposal of investments | (470) | 763,362 |
| Net loss on disposal of non-current assets | (161,169) | (96,001) |

(c) Expenses

Deficit is calculated after deduction of the following specific expenses:

| | | |
|--|-----------|-----------|
| Depreciation – property, plant and equipment | 1,545,525 | 1,494,655 |
| Amortisation of computer systems | 86,527 | 878,480 |
| Rental expense relating to operating leases | 864,264 | 632,612 |
| Write back of previous years bad debt/Allowance for expected credit losses | (20,905) | 24,676 |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

4. CURRENT – TRADE AND OTHER RECEIVABLES

| | 2019 \$ | 2018 \$ |
|--|------------|------------|
| Trade receivables | 196,219 | 179,584 |
| Allowance for expected credit losses | - | (22,807) |
| | <hr/> | <hr/> |
| | 196,219 | 156,777 |
| Goods and services tax (GST) recoverable | 182,873 | 141,999 |
| Other | 827,406 | 838,540 |
| | <hr/> | <hr/> |
| | 1,206,498 | 1,137,316 |

5. CURRENT INVENTORIES

| | | |
|------------------------|--------|--------|
| Finished Goods at cost | 26,691 | 71,405 |
| | <hr/> | <hr/> |

6. OTHER FINANCIAL ASSETS

| | | |
|-----------------------------|-----------|------------|
| Term deposits - current | 5,957,121 | 13,007,134 |
| Term deposits - non-current | 250,008 | 58,281 |
| | <hr/> | <hr/> |

7. OTHER CURRENT ASSETS

| | | |
|-------------|---------|---------|
| Prepayments | 337,006 | 250,946 |
| | <hr/> | <hr/> |

8. NON-CURRENT – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

At fair value:

| | | |
|---|------------|------------|
| Shares in listed companies / securities | 529,017 | 498 |
| Units in managed funds | 37,387,763 | 35,312,020 |
| | <hr/> | <hr/> |
| | 37,916,780 | 35,312,518 |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

9. PROPERTY, PLANT AND EQUIPMENT

| | Freehold Land & Buildings \$ | CFEH Leasehold Improv. \$ | Motor Vehicles \$ | CFEH Diagnostic Equipment \$ | Furniture & Equipment \$ | Total \$ |
|---|---------------------------------------|------------------------------------|-------------------------|---------------------------------------|--------------------------------|-------------------|
| Year ended 30 June 2019 | | | | | | |
| At 1 July 2018, net of accumulated depreciation | 10,353,572 | 6,839 | 2,364,388 | 1,041,284 | 914,535 | 14,680,618 |
| Additions | 184,457 | - | 539,603 | 61,990 | 320,803 | 1,106,853 |
| Disposals | - | - | (237,093) | (145,126) | (1,043) | (383,262) |
| Depreciation charge for the year | (356,618) | (817) | (490,445) | (340,407) | (357,238) | (1,545,525) |
| At 30 June 2019, net of accumulated depreciation | 10,181,411 | 6,022 | 2,176,453 | 617,741 | 877,057 | 13,858,684 |
| At 30 June 2019 | | | | | | |
| Cost | 13,691,997 | 2,636,185 | 3,237,498 | 2,737,541 | 3,961,123 | 26,264,344 |
| Accumulated depreciation | (3,510,586) | (2,630,163) | (1,061,045) | (2,119,800) | (3,084,066) | (12,405,660) |
| Net carrying amount | 10,181,411 | 6,022 | 2,176,453 | 617,741 | 877,057 | 13,858,684 |
| At 30 June 2018 | | | | | | |
| Cost | 14,133,436 | 2,654,629 | 3,127,843 | 3,362,733 | 5,826,744 | 29,105,385 |
| Accumulated depreciation | (3,779,864) | (2,647,790) | (763,455) | (2,321,449) | (4,912,209) | (14,424,767) |
| Net carrying amount | 10,353,572 | 6,839 | 2,364,388 | 1,041,284 | 914,535 | 14,680,618 |

10. INTANGIBLE ASSETS

| | 2019 \$ | 2018 \$ |
|--------------------------------------|---------------|---------------|
| Computer software – at cost | 1,187,261 | 1,252,567 |
| Less amortisation (see note 1(o)) | (1,143,889) | (1,159,243) |
| | 43,372 | 93,324 |

11. CURRENT – TRADE AND OTHER PAYABLES

| | | |
|------------------|------------------|------------------|
| Trade payables | 274,649 | 1,021,427 |
| Deferred revenue | - | 188,119 |
| Accruals | 1,499,733 | 1,029,940 |
| | 1,774,382 | 2,239,486 |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

12. ACCUMULATED SURPLUS

| | 2019 \$ | 2018 \$ |
|--|--------------------|-------------------|
| Balance at beginning of financial year | 65,126,887 | 67,632,411 |
| Net deficit | (5,255,822) | (2,205,524) |
| Transfer to reserves | <u>(1,355,849)</u> | - |
| Balance at end of financial year | <u>58,515,216</u> | <u>65,126,887</u> |

13. RESERVES

R.M. Moffitt Memorial Fund

| | |
|--|----------------|
| Balance at beginning of financial year | - |
| Movements | <u>416,830</u> |

Balance at end of financial year

416,830 -

Robert and Elsie Burton Fund

| | |
|--|----------------|
| Balance at beginning of financial year | - |
| Movements | <u>712,996</u> |

Balance at end of financial year

712,996 -

Netta and Alan Walker Fund

| | |
|--|----------------|
| Balance at beginning of financial year | - |
| Movements | <u>226,023</u> |

Balance at end of financial year

226,023 -

Balance at end of financial year

1,355,849 -

These reserves relate to donated funds received and invested by Guide Dogs NSW/ACT. These have been transferred from the Guide Dogs NSW/ACT Future Fund as part of its dissolution during the year.

14. COMMITMENTS FOR EXPENDITURE

Operating leases - Leasing arrangements

The operating leases relate to a number of office premises with lease terms expiring from 31 August 2020 to 30 June 2023. One contract has an option for renewal of a three year extension. The other contracts have no options for extensions.

Non-cancellable operating leases

| | | |
|--|------------------|------------------|
| Within 1 year | 1,306,823 | 821,666 |
| Later than 1 year but not later than 5 years | <u>2,854,360</u> | <u>2,221,623</u> |
| | <u>4,161,183</u> | <u>3,043,289</u> |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

15. CAPITAL COMMITMENTS

Capital commitments

Commitments for the acquisition of plant, equipment and software systems contracted for at the reporting date but not recognised as liabilities payable:

| | | |
|-----------------|-------|---------|
| Within one year | - | 68,342 |
| Less: GST | - | (6,213) |
| | <hr/> | <hr/> |
| | - | 62,129 |

16. RELATED PARTY TRANSACTIONS

(a) Directors

The following persons were directors of Guide Dogs NSW/ACT during the financial year:

| | |
|-------------------------------------|--------------------------------------|
| J. Bennett | S. Kouris |
| Z. Bull | K. M. Lane |
| L. V. Druitt | R. Low (Appointed 24 June 2019) |
| I. A. Jamieson | H. Liu (Resigned 27 August 2018) |
| J. Jones (Appointed 27 August 2018) | A. B. Mosman (Resigned 24 June 2019) |
| R. Low (Appointed 24 June 2019) | A. B. C. Stephen |

Directors receive no remuneration for their services.

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities for the parent company, directly or indirectly, during the financial year:

| | | | |
|---------------|--------------|---------------|-----------|
| P. Adrian* | T. O. Bodger | G. Byran^ | A. Clarke |
| D. A. Cleaver | L. Davis* | K. Twitchett* | |

* Employment ceased during the financial year, ^ appointed during the financial year.

(c) Key management personnel compensation

| | Short term benefits | Post employment | Other long term benefits | Total |
|------|--------------------------------|----------------------------|-------------------------------------|--------------|
| | \$ | \$ | \$ | \$ |
| 2019 | 1,323,246 | 109,221 | - | 1,432,467 |
| 2018 | 1,153,078 | 88,767 | - | 1,241,845 |

(d) Other transactions with directors

During the financial year payments were made for services rendered on a commercial basis to a veterinary hospital in which A. B. Mosman has an interest. In the year to 30 June 2019 the payments made were \$232 (2018: \$2,341).

(e) Transactions with controlled entities

| | 2019 | 2018 |
|-------------------------|-------------|-------------|
| | \$ | \$ |
| Expense support to CFEH | 4,083,035 | 3,391,316 |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

16. RELATED PARTY TRANSACTIONS (continued)

(f) Loan to related entity

CFEH loan

123,285 740,910

This loan is unsecured, interest free and has no fixed date of repayment.

17. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows and cash equivalents is reconciled to the related items in the Statement of Financial Position as follows:

| | | |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | <u>4,099,679</u> | <u>4,700,738</u> |
|---------------------------|------------------|------------------|

18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991

(Fundraising aggregate gross income and expenditure)

Various fundraising activities were conducted during the year including appeals, regular giving, major gifts, and corporate partnerships.

| | 2019 \$ | 2018 \$ |
|---|----------------------------|----------------------------|
| Bequests | | |
| Gross proceeds | 13,367,045 | 17,976,342 |
| Expenditure – planned giving | <u>(897,537)</u> | <u>(1,293,198)</u> |
| | <u>12,469,508</u> | <u>16,683,144</u> |
| Fundraising | | |
| Gross proceeds | 10,415,172 | 8,659,668 |
| Expenditure – fundraising | <u>(7,491,037)</u> | <u>(5,665,112)</u> |
| | <u>2,924,135</u> | <u>2,994,556</u> |
| Net surplus from bequests & fundraising | <u>15,393,643</u> | <u>19,677,700</u> |
| Sale of Merchandise | | |
| Gross proceeds – sale of goods | 132,590 | 154,141 |
| Expenditure | <u>(85,500)</u> | <u>(84,953)</u> |
| Net surplus from direct marketing | <u>47,090</u> | <u>69,188</u> |
| Net surplus from all fundraising activities | <u>15,440,733</u> | <u>19,746,888</u> |
| Client O&M service costs | (19,586,108) | (18,975,158) |
| CFEH service costs | (4,012,990) | (3,362,832) |
| Community education & advocacy | (135,758) | (469,305) |
| Marketing | (1,921,597) | (864,315) |
| Governance and administrative services | <u>(5,850,627)</u> | <u>(4,909,193)</u> |
| Total charitable purpose expenditure | <u>(31,507,080)</u> | <u>(28,580,803)</u> |
| Deficit in funds available from all activities | <u>(16,066,347)</u> | <u>(8,833,915)</u> |

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 (continued)

| | 2019 \$ | 2018 \$ |
|---|--------------------|--------------------|
| Additional funds from the following sources | | |
| Contract income | 401,123 | 221,032 |
| Interest received | 287,569 | 500,552 |
| Distributions received (managed funds) | 1,001,230 | 1,782,557 |
| Dividends received (including franking credits) | 391,860 | 255,715 |
| Membership subscription | 490 | 570 |
| Rent received | 1,560 | 1,560 |
| National Disability Insurance Scheme (NDIS), Medicare and other government grants | 3,154,547 | 1,632,006 |
| Future Fund Income | 3,635,843 | - |
| Other income | 1,020,602 | 795,429 |
| Net loss on sale of property, plant & equipment | (161,169) | (96,001) |
| Net gain/(loss) on sale of investments | (470) | 763,362 |
| Fair value movement of financial assets | <u>1,077,340</u> | <u>471,609</u> |
| Total Additional Funds net | <u>10,810,525</u> | <u>6,328,391</u> |
| Deficit from Ordinary Activities | <u>(5,255,822)</u> | <u>(2,505,524)</u> |

| Comparisons | \$ | % | 2019 | 2018 |
|--|------------|------|------------|------|
| | | | \$ | % |
| Total cost of all fundraising activities | 8,474,074 | | 7,043,263 | |
| Gross income from all fundraising activities | 23,914,807 | *35% | 26,790,151 | 26% |
| Net surplus from all fundraising activities | 15,440,733 | | 19,746,888 | |
| Gross income from all fundraising activities | 23,914,807 | 65% | 26,790,151 | 74% |
| Total cost of direct services | 23,734,856 | | 22,807,295 | |
| Total cost of expenditure | 39,981,154 | 59% | 35,624,066 | 64% |
| Total cost of direct services | 23,734,856 | | 22,807,295 | |
| Total income received | 34,725,332 | 68% | 33,118,542 | 69% |

*The increase in the cost of fundraising activities is primarily due to the investment made in acquisition fundraising methods such as regular giving which is expected to result in future income streams.

19. AUXILIARIES AND SUPPORT GROUPS

During the year the following auxiliaries/support groups contributed \$107,483 (2018: \$24,778) to Guide Dogs NSW/ACT.

Central Coast
Mudgee

Dubbo

Moree

GUIDE DOGS NSW/ACT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

20. SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with accounting policy described in note 1(b). The financial year end of the controlled entity is the same as that of the parent.

| Name of entity | Country of incorporation | Percentage holding |
|-------------------------------|---------------------------------|---------------------------|
| Centre for Eye Health Limited | Australia | 100% |

Company limited by guarantee with Guide Dogs NSW/ACT as the sole member.

21. GUIDE DOGS NSW/ACT FUTURE FUND

On 2 January 2013, the company established the Guide Dogs NSW/ACT Future Fund. This fund was a Public Ancillary Fund that was set up with the intent to manage funds, preserve them and provide the company with an annuity income. During FY19 the Guide Dogs NSW/ACT Future Fund was closed. A sum of \$2,279,994 was returned to Guide Dogs. In addition the three reserves originally transferred to the Future Fund, were returned in the amount of \$1,355,849.

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter has arisen during the interval between 30 June 2019 and the date this financial report was authorised for issue that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future years.