

**Royal Guide Dogs for the Blind Association of Tasmania
ACN 009 486 873**

**Annual Report
30 June 2012**

Royal Guide Dogs for the Blind Association of Tasmania

DIRECTORS REPORT

The Directors present their report of the Royal Guide Dogs for the Blind Association of Tasmania ('the Company'), for the financial year ended 30 June 2012 and the auditors' report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year to the date of this report are:

Mr M Harris	Director	Director since 2004, past President and Treasurer
<i>Qualifications:</i> Part time lecturer in Accountancy at University of Tasmania, Law Department. Fellow, Certified Practising Accountants Australia. Member, Institute of Chartered Accountants. Fellow, Institute Company Secretaries, Past President, CPA Australia Tasmanian Division. Past Director, Tasmanian Office of Financial Supervision (from its inception to its demise overseeing the running of credit unions and building societies). Past National Board Member and Past State Chairman, Institute of Company Secretaries. FCSA		
Mr D G Howie	President	Director since June 2009.
<i>Qualifications:</i> Partner, KPMG Chartered Accountants. B.Com.Member, Institute of Chartered Accountants Australia. Member, Institute of Internal Auditors Australia. Registered Company Auditor.		
Mr B Free	Director	Director since 2006, retired October 2011
<i>Qualifications:</i> Former Tasmanian Corporate Affairs Manager, Telstra Corporation. Steward Tasmanian Racing Council. Supervisor, Tasmanian Racing Services.		
Mr D L Gordon	Director	Director since 1999.
<i>Qualifications:</i> State Secretary, Tasmanian Visually Impaired Children's Support Group (TASVIC). Member, Association of Consultants in Access Australia Inc. (Accredited Access Consultant). Disability Discrimination Advisory Board. Member, Disability Discrimination Advisory Committee, Hobart City Council and Clarence City Council. Member, Disability Awareness Training Group for Tasmanians with Disabilities and Partners. Southern Chair, Tasmanians with Disabilities. Board Member and Treasurer, Para Quad Tasmania. Qualified Industrial Chef. Qualified Industrial Health, Welfare & Safety Officer, State Government Health Services. Former Divisional Training Officer, St John Ambulance. Former Communications Officer, Tasmanian Fire Brigade and State Ambulance Services.		
Mrs M Purtell	Director	Director since 2009, retired March 2012.
<i>Qualifications:</i> Solicitor, Hilliard and Associates Barristers and Solicitors since 2004. BA, LLB, Grad Cert Legal Practice. Tasmanian Representative, National Young Lawyers Committee. Member, Young Lawyers Tasmania (South). Committee Member, Tasmanian Committee of Australian Lawyers Alliance.		
Dr D Fails	Director	Director since October 2009.
<i>Qualifications:</i> Managing Director of a retail and optometry group of companies since 1997. Has served on the Optometrists Registration Board and project managed the "Tasmanian Eye Health and Vision Care Initiative". Recently appointed as the Tasmanian Practitioner representative on the Optometry Board of Australia. BSc (Hons) Optometry. MC Optom. FAICD.		
Mr B Swain	Director	Director since January 2010. Vice-President since October 2011.
<i>Qualifications:</i> Partner, Murdoch Clarke Barristers and Solicitors. LLB (Hons). Board Member of Tasmanian Athletic League.		
Mrs E Guy	Director	Director since June 2011.
<i>Qualifications:</i> Finance Manager of Becks Home Hardware. Director, Board of Governance, Scotch Oakburn School, 1995 - 2010. Member, CPA Australia. Honorary Life Member, Royal Guide Dogs Tasmania.		
Ms E Dixon	Director	Director since July 2011.
<i>Qualifications:</i> Master in Regional Development Policy. Diploma Entrepreneurial Management. Graduate Australia Institute of Company Directors. Regional Manager North and North West Programs and Services, Community Development Division - DPAC. Member Australian Institute of Company Directors.		
Mrs E Jackson	Director	Director since July 2011
<i>Qualifications:</i> UTAS Women's Leadership Mentoring Program. NIDA Effective and Influential Communication, Workshop Facilitation, Committee Skills, Diversity and Inclusion, Complaint Management, Essential Governance.		

Directors meetings

During the financial year meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Mr M Harris	12	10
Mr D G Howie	12	12
Mr B Free	4	2
Mr D L Gordon	12	11
Ms M Purtell	8	5
Dr D Fails	12	6
Mr B Swain	12	10
Mrs E Guy	12	12
Ms E Dixon	12	9
Mrs E Jackson	12	10
Mr D English (Secretary)	12	11

Royal Guide Dogs for the Blind Association of Tasmania

DIRECTORS REPORT

Company Secretary

Mr Dan English held the position of Company Secretary during and at the end of the financial year.

Principal Activities

The principal activities of the Company during the financial year was the provision of rehabilitation programs for vision impaired persons. No significant change in the nature of these activities occurred during the financial year.

Results of operations

The net surplus from ordinary activities amounted to \$262,726 (2011:\$1,336,573).

Short and Long Term Objectives

The Company has identified the following objectives:

- To provide mobility and independent living services for blind and vision impaired Tasmanians.
- To meet financial viability and accountability requirements.

The Company has adopted the following strategies for achievement of these objectives:

- The preparation of a strategic plan to identify the opportunities and strengths of the Company to provide sustainable services.
- The preparation of a plan to communicate the Company's objectives to stakeholders.
- The preparation of short term and long term budgets and projections.

The Company uses the following key performance indicators to measure performance:

- Service outcome measures including Referrals, Service Events, Guide Dog Placements and Travel Kilometres.
- Financial measures including surplus compared to budget, cash flows compared to budget and current ratio.

State of Affairs

There were no significant changes in the Company's state of affairs during the financial year.

Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member irrespective of class is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Company. At 30 June 2012 the number of members was 169 (2011:182).

Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial year which 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.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer or auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 3 and forms part of the Directors Report for the financial year ended 30 June 2012.

Dated at HOBART, this 12th day of SEPTEMBER 2012

Signed in accordance with a resolution of Directors:


.....
David Howie
President

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Royal Guide Dogs for the Blind Association of Tasmania Ltd

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Royal Guide Dogs for the Blind Association of Tasmania Ltd

I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and
- (b) no contraventions of any applicable code of professional conduct;

in relation to our audit for the year ended 30 June 2012.



WHK



Alison Flakemore
Audit Partner

Dated this 11th day of September 2012.

**Royal Guide Dogs for the Blind Association of Tasmania
ACN 009 486 873**

**Annual General Purpose Financial Report
30 June 2012**

Royal Guide Dogs for the Blind Association of Tasmania
ACN 009 486 873

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Results from continuing operations			
Income			
Fundraising		194,650	161,025
Marketing		491,623	452,543
Services		82,993	18,441
Donations		334,538	423,025
Donations from bequests		463,663	1,313,262
Grants received		506,642	410,245
Interest received		191,268	217,439
Dividends received		57,964	86,674
Management fees		12,000	12,000
Net gain on disposal of plant and equipment		-	12,477
Other income		9,538	4,964
Rent		14,880	14,880
Unrealised gain on revaluation of investments		-	40,763
Total income		<u>2,359,759</u>	<u>3,167,738</u>
Expenses			
Finance lease interest		12,222	18,706
Depreciation expense	10	123,877	130,908
Net loss on disposal of plant and equipment		2,083	-
Other expenses	4	612,299	594,228
Realised loss on sale of investments		7,255	2,104
Salary and employment benefits		1,263,875	1,084,143
Unrealised loss on revaluation of investments		75,422	-
Total expenses		<u>2,097,033</u>	<u>1,830,089</u>
Net surplus from continuing operations		<u>262,726</u>	<u>1,337,649</u>
Net result from discontinued operations	22	-	(1,076)
Total net result from continuing and discontinued operations		<u>262,726</u>	<u>1,336,573</u>
Other comprehensive income			
Increase/(decrease) in the revaluation of buildings		(77,406)	78,917
Total other comprehensive income for the year		<u>(77,406)</u>	<u>78,917</u>
Total comprehensive income for the year		<u><u>185,320</u></u>	<u><u>1,415,490</u></u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

Royal Guide Dogs for the Blind Association of Tasmania
ACN 009 486 873
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	2,913,909	2,487,539
Trade and other receivables	7	101,984	79,712
Inventories	8	22,143	39,524
Other financial assets	9	663,225	772,761
Assets held for sale	10	339,989	-
Total current assets		<u>4,041,250</u>	<u>3,379,536</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,403,672	1,909,560
Total non-current assets		<u>1,403,672</u>	<u>1,909,560</u>
Total Assets		<u>5,444,922</u>	<u>5,289,096</u>
CURRENT LIABILITIES			
Trade and other payables	11	128,533	118,012
Borrowings	12	71,354	96,841
Employee benefits	13	61,218	51,670
Total current liabilities		<u>261,105</u>	<u>266,523</u>
NON-CURRENT LIABILITIES			
Borrowings	12	4,220	80,452
Employee benefits	13	116,483	64,327
Total non-current liabilities		<u>120,703</u>	<u>144,779</u>
Total Liabilities		<u>381,808</u>	<u>411,302</u>
Net assets		<u>5,063,114</u>	<u>4,877,794</u>
EQUITY			
Reserves	14	1,005,775	1,083,181
Accumulated surplus		4,057,339	3,794,613
Total equity		<u>5,063,114</u>	<u>4,877,794</u>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

ACN 009 486 873

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Asset Revaluation Reserve	Accumulated Surplus	Total Equity
	\$	\$	\$
As at July 1, 2010	1,004,264	2,458,040	3,462,304
Total comprehensive income for the period			
Surplus for the Period	-	1,336,573	1,336,573
Total other comprehensive income	78,917	-	78,917
Total comprehensive income for the period	<u>78,917</u>	<u>1,336,573</u>	<u>1,415,490</u>
Balance at 30 June 2010	<u>1,083,181</u>	<u>3,794,613</u>	<u>4,877,794</u>
As at July 1, 2011	1,083,181	3,794,613	4,877,794
Total comprehensive income for the period			
Surplus for the Period	-	262,726	262,726
Total other comprehensive income	(77,406)	-	(77,406)
Total comprehensive income for the period	<u>(77,406)</u>	<u>262,726</u>	<u>185,320</u>
Balance at 30 June 2012	<u>1,005,775</u>	<u>4,057,339</u>	<u>5,063,114</u>

The Statement of Changes In Equity is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

Royal Guide Dogs for the Blind Association of Tasmania
ACN 009 486 873
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers		2,191,858	2,997,133
Payments to suppliers and employees		(1,878,559)	(1,783,003)
Interest received		191,268	217,439
Interest paid		(12,222)	(18,706)
Net cash provided by / (used in) operating activities	15	<u>492,345</u>	<u>1,412,863</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(66,120)	(10,083)
Dividends received		46,353	60,811
Proceeds from sale of investments		704,966	529,293
Payments for new investments		(678,108)	(503,139)
Proceeds from sale of property, plant and equipment		28,653	12,477
Net cash provided by / (used in) investing activities		<u>35,744</u>	<u>89,359</u>
Cash flows from financing activities			
Repayment of borrowings		-	-
Payment of finance lease liabilities		(101,719)	(94,784)
Net cash provided by / (used in) financing activities		<u>(101,719)</u>	<u>(94,784)</u>
Net increase/(decrease) in cash held		426,370	1,407,438
Cash and cash equivalents at the beginning of the financial year		2,487,539	1,080,101
Cash and cash equivalents at the end of the financial year	15	<u>2,913,909</u>	<u>2,487,539</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 19.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

Accounting policies

1) General information

The financial statements are for the Royal Guide Dogs for the Blind Association of Tasmania (the Company) which is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is 164 Elizabeth Street, Hobart, Tasmania 7000. The Company is considered 'not-for-profit' and is primarily involved in the provision of rehabilitation programs for vision impaired persons.

The financial statements were authorised for issue by the Directors on 12th September, 2012.

2) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of all applicable Australian Accounting Standards ("AASBs") including Accounting Interpretations, adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

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.

The financial statements are presented in Australian dollars, which is also the functional currency of the Company.

The financial statements are prepared on the historical cost basis except that buildings and financial asset investments are stated at fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

- Fair value of buildings (refer note 10)

3) Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the Company's general purpose financial report.

(a) Financial Instruments

(i) Non-derivative Financial Instruments

The Company does not hold any derivative financial instruments. Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, equity investments, borrowings, and trade and other payables. The Company does not hold any financial instruments in the categories of held-to-maturity investments or financial liabilities at fair value through profit or loss.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- Cash and cash equivalents - are classified as available-for-sale financial assets and measured at fair value subsequent to initial recognition, which is the face value of the cash. Cash and cash equivalents comprise cash balances and at call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.
- Trade and other receivables – are classified as a loan and receivable and stated at their amortised cost less impairment losses (see accounting policy '3b'). The collectibility of debts is assessed at balance date for identified doubtful accounts and unidentified losses and allowance is made for such identified impairment. Trade receivables with a short duration are not discounted. Collection terms are 30 days for trade receivables.
- Other financial assets – include equity investments and are classified as financial assets at fair value through profit and loss. The investments are measured at market value each balance date with any movement being taken to the profit and loss.
- Trade and other payables – are classified as an other liability and stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Borrowings - relate to finance lease liabilities and are classified as an other liability and stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the period of the borrowings on an effective interest basis.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

Accounting policies

(b) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Financial assets with short lives are not discounted.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill (if any) allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(c) Inventories

Inventories are valued at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(d) Property, plant and equipment

(i) Recognition and measurement

Owned Assets

Each class of property, plant and equipment is measured at cost (except land and buildings which are measured at fair value) less any accumulated depreciation and impairment losses.

Fair value for land and buildings are based on valuations by external independent valuers with sufficient regularity to ensure the carrying amount of property does not differ materially from its fair value at balance date.

Any revaluation increase arising on the revaluation of land and buildings is credited to an asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same class of asset previously recognised as an expense in profit or loss, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that class of asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to accumulated surplus.

(ii) Depreciation

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 or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The depreciation rates used for each class of depreciable assets are:

• Buildings	2.5 - 3.33%
• Plant and Equipment	5 - 50%
• Furniture, fixtures and fittings	5 - 20%
• Motor Vehicles	20 - 25%
• Model Dogs	12.50%

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

Accounting policies

(e) Employee Entitlements

(i) Short-term benefits

A liability is recognised 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 they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

(ii) Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred. The Company has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

(f) Finance leases

Finance leases are capitalised, recording the asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

(g) Taxation

The Company is exempt from Income Tax in accordance with Division 50 of the Income Tax Assessment Act 1997.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(i) Revenue

- (i) Revenue from the sale of goods is recognised upon the delivery of goods to customers.
- (ii) Interest revenue is recognised over the period in which the funds were invested.
- (iii) Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
- (iv) Donations and bequests are recognised as revenue when received.
- (v) Work in Progress

Client and raffles in progress are taken up in the Statement of Comprehensive Income at the time of completion. Work in progress, in relation to open raffles, represents the removal of any profit from the Statement of Comprehensive Income for raffles in progress. This work in progress is included in trade and other payables in the Statement of Financial Position.

Work in progress for closed raffles represents additional expenditure incurred post the end of the financial year for raffles significantly completed at or around the 30 June 2012 year for which the profit has been recognised in the Statement of Comprehensive Income.

(j) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(k) Operating lease payments

Payments made under operating leases where the lessors retain substantially all the risks and benefits of ownership of those leased items, are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(l) Borrowing costs

Borrowing costs include interest on finance leases. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(m) Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

Accounting policies

(n) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2012, but have not been applied in preparing these financial statements. The Company intends to adopt these standards in the first financial reporting period to which each standard is first applicable to. The extent of impact, if any, that the initial implementation of the Standards will have on the financial statements has yet to be determined.

AASB 9 'Financial Instruments' was issued in December 2009 and is Phase I of the IASB's comprehensive project to replace IAS 39 (AASB 139). This standard is effective for periods beginning on or after 1 January 2013, however can be early adopted. The standard represents a significant change in the accounting for financial assets and now only contains two primary measurement categories (fair value or amortised cost) and removes the previous categories of held to maturity, available for sale and loans and receivables. This standard has also been updated for the classification and measurement of financial liabilities and the derecognition of financial assets and liabilities. The impacts of these amendments, which become mandatory for the Company's 30 June 2016 financial statements, have not yet been quantified.

Presentation of items of other comprehensive income (Amendments to AASB 101). This amendment clarifies the presentation requirements in the Statement of Comprehensive Income and relate to disclosure changes only. The amendments, which become mandatory for the Company's 30 June 2013 financial statements, are not expected to have any impact on the financial statements.

AASB 13 - Fair Value Measurements - this new standard replaces the fair value measurement guidance in individual AASB's with a single source of fair value measurement guidance. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The impacts of this new standard, which becomes mandatory for the Company's 30 June 2014 financial statements, have not yet been quantified.

Amendments to Australian Accounting Standards AASB 7 and AASB 132 – Disclosures: Offsetting Financial Assets and Financial Liabilities – This amendment clarifies the offsetting rules for financial assets and liabilities (no longer converging with US GAAP) and introduces new disclosure requirements (which do align with US GAAP). The amendments, which become mandatory for the Company's 30 June 2015 (AASB 132 offsetting rules) and 30 June 2014 (AASB 7 Disclosures) financial statements, have not yet been quantified.

(o) Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(p) Comparatives

Where appropriate comparatives have been adjusted to conform to changes in presentation for the current financial year.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

	2012	2011
	\$	\$
4 OTHER OPERATING EXPENSES		
Accommodation and travel	30,001	25,707
Advertising	6,124	4,005
Bad and doubtful debts	21	610
Bank charges	6,556	5,753
Board expenses	20,604	12,585
Client costs	5,105	44,579
Consultant fees	11,875	4,730
Cost of goods sold	109,485	79,192
Dogs - care expenses	17,284	13,925
Dogs - purchase of pups	13,955	11,363
Insurance	32,730	30,471
Legal costs	8,319	912
Light, power and gas	23,751	18,337
Motor vehicle	61,141	58,014
Other expenses	81,817	77,434
Postage and freight	44,601	41,983
Printing and stationery	45,374	61,558
Promotional	2,393	9,387
Providoring	1,224	741
Rates and taxes	7,385	7,053
Rent	9,447	3,269
Repairs and maintenance	13,366	20,920
Telephone	58,644	59,649
Volunteer expenses	1,097	2,051
	<u>612,299</u>	<u>594,228</u>
5 AUDITORS REMUNERATION		
Remuneration of Auditors (WHK)		
• Audit of the financial report	11,100	11,800
• Other Services	1,875	3,500
	<u>12,975</u>	<u>15,300</u>
6 CASH & CASH EQUIVALENTS		
Cash on hand	1,259	6,981
Cash at bank - operating accounts	229,242	64,906
Cash at bank - investment accounts	2,683,408	2,415,652
	<u>2,913,909</u>	<u>2,487,539</u>
7 TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	14,237	17,854
Less: Provision for impairment	-	-
	<u>14,237</u>	<u>17,854</u>
Prepayments	39,251	26,673
GST receivable	5,924	4,224
Franking credits receivable	42,572	30,961
	<u>101,984</u>	<u>79,712</u>
8 INVENTORIES		
Current - at cost		
Inventories	22,143	39,524
	<u>22,143</u>	<u>39,524</u>
9 OTHER FINANCIAL ASSETS		
Financial assets at fair value through profit and loss - equity investments	<u>663,225</u>	<u>772,761</u>

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

	2012 \$	2011 \$
10 PROPERTY, PLANT AND EQUIPMENT		
<i>Freehold land and buildings</i>		
Freehold land at fair value	570,000	815,000
Buildings at fair value	650,000	825,000
Less: accumulated depreciation	(50,465)	(28,832)
Total buildings	599,535	796,168
Total land and buildings at fair value	1,169,535	1,611,168
<i>Plant and equipment</i>		
Plant and equipment - at cost	558,844	576,686
Less: accumulated depreciation	(505,123)	(528,842)
Total plant and equipment	53,721	47,844
Furniture, fixture and fittings - at cost	155,183	148,613
Less: accumulated depreciation	(93,069)	(94,422)
Total furniture and fittings	62,114	54,191
Motor vehicles - at cost	266,119	281,140
Less: accumulated depreciation	(152,218)	(92,041)
Total motor vehicles	113,901	189,099
Model dogs - at cost	43,077	43,077
Less: accumulated depreciation	(38,676)	(35,819)
Total model dogs	4,401	7,258
Total plant and equipment	234,137	298,392
Total Property, plant and equipment	1,403,672	1,909,560

- (a) During the year, a full stocktake of assets was undertaken. During this stocktake a number of assets that had reached the end of their useful lives were identified. The gross cost (\$46,620) and associated accumulated depreciation (\$46,620) of these assets were written off in the general ledger.

Movements in Carrying Amounts

	Land \$	Buildings \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Model Dogs \$	Total \$
Year ended 30 June 2012							
Balance at the beginning of year	815,000	796,168	47,844	54,191	189,099	7,258	1,909,560
Additions	-	-	22,005	14,207	30,772	-	66,984
Disposals	-	-	(864)	-	(30,736)	-	(31,600)
Transfer to assets held for sale	(240,095)	(99,894)	-	-	-	-	(339,989)
Depreciation expense (1)	-	(24,238)	(15,264)	(6,284)	(75,234)	(2,857)	(123,877)
Revaluation increase/ (decrease) recognised in equity	-	(77,406)	-	-	-	-	(77,406)
Carrying amount at the end of 30 June 2012	574,905	594,630	53,721	62,114	113,901	4,401	1,403,672
Year ended 30 June 2011							
Balance at the beginning of year	600,351	963,569	56,983	55,153	186,332	5,187	1,867,575
Additions	-	-	14,875	5,065	91,637	4,336	115,913
Disposals	-	-	(589)	(45)	(20,148)	-	(20,782)
Depreciation expense (1)	-	(31,669)	(23,425)	(5,982)	(68,722)	(2,265)	(132,063)
Revaluation increase recognised in equity	214,649	(135,732)	-	-	-	-	78,917
Carrying amount at the end of 30 June 2011	815,000	796,168	47,844	54,191	189,099	7,258	1,909,560

The land and buildings were last valued independently as at 1 March 2010 by the Tasmanian Valuer General, on behalf of the Hobart City Council for the Hobart building and 5 October 2010 on behalf of the Launceston City Council. The valuation is based on fair value measurement. The Directors have assessed the carrying value at 30 June 2012 and is satisfied the 2010 valuation for Hobart appropriately approximates fair value as at 30 June 2012. In 2010, the Hobart land and building was revalued with a subsequent increase in the land of \$395,384 and buildings of \$113,470. This revaluation was reflected in the Asset Revaluation Reserve.

- (1) Depreciation is allocated to both continuing and discontinued operations as follows:

	2012	2011
Continuing operations	123,877	130,908
Discontinued operations	-	1,155
	123,877	132,063

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

	2012 \$	2011 \$
10 PROPERTY, PLANT AND EQUIPMENT (Continued)		
(b) Non current assets held for sale		
Launceston land and buildings at estimated fair value less selling costs	339,989	-

In 2011, the Launceston land and buildings were revalued with a subsequent increase in the land of \$214,649 and decrease in buildings of \$135,732. This revaluation was reflected in the Asset Revaluation Reserve. However, during the year the Company resolved to sell the Launceston land and buildings and accordingly reclassified the asset as 'held for sale' as a current asset in the statement of financial position. During the process for arranging the sale of the asset, a condition report from an independent assessor indicated that repairs were required to the foundations of the building. The Company has commenced a process to quantify the likely cost to execute these repairs and, for the purposes of the preparation of these financial statements, has estimated the cost to be \$70,000. Accordingly, the Launceston property has been written down by \$70,000 from the 2011 values. This \$70,000, plus an additional \$7,406 to reflect market value as at June 2012, has been taken to profit and loss or other comprehensive income against the existing asset revaluation reserve.

	2012 \$	2011 \$
11 TRADE AND OTHER PAYABLES		
Current		
Trade payables	98,758	79,341
Sundry payables and accrued expenses	1,295	5,523
Raffle profit received in advance	7,471	14,453
Superannuation	8,087	8,755
Other payables	432	380
PAYG Withholding Tax	12,490	9,560
	<u>128,533</u>	<u>118,012</u>
12 BORROWINGS		
Current		
Finance lease obligation	71,354	96,841
	<u>71,354</u>	<u>96,841</u>
Non-Current		
Finance lease obligation	4,220	80,452
	<u>4,220</u>	<u>80,452</u>
13 EMPLOYEE BENEFITS		
Current		
Annual leave	56,417	50,409
Long service leave	4,801	1,261
	<u>61,218</u>	<u>51,670</u>
Non-Current		
Long service leave	116,483	64,327
	<u>116,483</u>	<u>64,327</u>

14 RESERVES

Asset revaluation reserve

The asset revaluation reserve arises on the revaluation of land and buildings. Where a revalued land or building is sold, that portion of the asset revaluation reserve which relates to that asset is effectively realised, and is transferred to accumulated surplus.

	2012 \$	2011 \$
15 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts at call. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	2,913,909	2,487,539
	<u>2,913,909</u>	<u>2,487,539</u>
(b) Reconciliation of net surplus / (deficit) to Net Cash Provided by Operating Activities		
Net surplus / (deficit)	262,726	1,336,573
<i>Add (less) non-cash items:</i>		
Depreciation	123,877	132,063
Net (gain) / loss on sale of plant and equipment and shares	9,338	(12,477)
Dividend income	(57,964)	(86,674)
Unrealised (gain)/loss on revaluation of investments	75,422	(38,659)
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(10,660)	129,530
(Increase)/decrease in inventories	17,381	(19,202)
Increase/(decrease) in trade and other payables	10,521	(33,444)
Increase/(decrease) in employee benefits	61,704	5,153
Net cash provided by operating activities	<u>492,345</u>	<u>1,412,863</u>

Notes to the Financial Report

16 FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, investments in equity instruments, trade and other receivables and trade and other payables.

Key risks

The main risks the company is exposed to through its financial instruments are liquidity risk, credit risk and market risk (relating to interest rate risk and equity price risk). The balance of this note outlines the nature, exposures and risk mitigation strategies applied by the Company to these risks.

(b) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Maturing		Non Interest bearing	Total
			1-5 Years	> 5 years		
2012	%	\$	\$	\$	\$	
Financial Assets:						
Cash and cash equivalents	4.52	2,912,650	-	-	1,259	2,913,909
Trade Receivables	-	-	-	-	14,237	14,237
Other Receivables	-	-	-	-	87,747	87,747
Equity Investments	-	-	-	-	663,225	663,225
Total Financial Assets		2,912,650	-	-	766,468	3,679,118
Financial Liabilities:						
Trade payables	-	-	-	-	98,758	98,758
Other payables	-	-	-	-	29,775	29,775
Lease obligations	8.18	-	75,574	-	-	75,574
Total Financial Liabilities		-	75,574	-	128,533	204,107
2011						
Financial Assets:						
Cash and cash equivalents	5.09	2,480,558	-	-	6,981	2,487,539
Trade Receivables	-	-	-	-	17,854	17,854
Other Receivables	-	-	-	-	61,858	61,858
Equity Investments	-	-	-	-	772,761	772,761
Total Financial Assets		2,480,558	-	-	859,454	3,340,012
Financial Liabilities:						
Trade payables	-	-	-	-	79,341	79,341
Other Payables	-	-	-	-	38,671	38,671
Lease obligations	8.22	-	177,293	-	-	177,293
Total Financial Liabilities		-	177,293	-	118,012	295,305

(c) Equity Price Risk

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

The Company is exposed to securities price risk on investments held for trading or for medium to longer terms. The Board approved an investment policy which was implemented during the current financial year which aims to ensure that the investments are diversified across industries and geographical locations. A reasonable possible movement in equity prices of +/- 10% would increase / decrease the surplus for the year by \$66,323 (2011: \$77,276) with the corresponding increase / decrease impacting the investment (other financial assets) value.

The Board also appointed UBS as its financial advisers to assist in providing specialist advice in the Company's investment decisions.

(d) Liquidity Risk

Liquidity risk relates to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

The table under 16 (b) above outlines the contractual maturities of financial liabilities, with non-interest bearing liabilities maturing in less than three months.

Notes to the Financial Report

16 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Company. (Includes trade and other receivables, investments and cash and cash equivalents.)

The Company manages this risk by ensuring it only deals with credible customers and credible financial institutions.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

The ageing analysis of receivables is as follows:

	2012	2011
	\$	\$
0-30 days	13,749	17,854
31-60 days	-	-
61-90 days (past due not impaired)	-	-
91+ days (past due not impaired)	488	-
	<u>14,237</u>	<u>17,854</u>

(f) Sensitivity analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk, liquidity risk and credit risk at balance date. The Company is subject to fluctuation in interest rates on amounts held on deposit with financial institutions and on its financial liabilities. As a result of the sensitivity analysis and risk assessment performed by the Company, any positive or negative change in interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements of the Company.

(g) Financial Instruments Measured at Fair Value

As 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 inputs used in making measurements. The fair value hierarchy consists of the following levels:

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

	2012	Level 1 \$	Total \$
Financial Assets:			
Financial assets at Fair value via the profit and Loss		663,225	663,225
Available-for-sale financial assets		-	-
Held-for-trading financial assets		-	-
Held-to-Maturity financial assets		-	-
		<u>663,225</u>	<u>663,225</u>
2011			
Financial Liabilities:			
Financial assets at Fair value via the profit and Loss		772,761	772,761
Available-for-sale financial assets		-	-
Held-for-trading financial assets		-	-
Held-to-Maturity financial assets		-	-
		<u>772,761</u>	<u>772,761</u>

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

Notes to the Financial Report

17 CAPITAL MANAGEMENT

Management control the capital of the Company to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Audit Committee ensures that the overall risk management strategy is in line with this objective.

The Board of Directors approve the policies under which management must operate. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The gearing ratio for the year ended 30 June 2012 and 30 June 2011 are as follows:

	Note	2012 \$	2011 \$
Borrowings	12	75,574	177,293
Less Cash and cash equivalents			
Net debt	6	(2,913,909)	(2,487,539)
Equity		5,063,114	4,877,794
Gearing ratio		-56.06%	-47.36%

18 CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Payable - minimum lease payments:

- not later than 12 months

- between 12 months and 5 years

Minimum lease payments

Present value of minimum lease payments

	14,040	14,040
	3,510	17,550
	<u>17,550</u>	<u>31,590</u>
	<u>17,550</u>	<u>31,590</u>

Operating lease of a photocopier for 60 months that began in September 2008.

Finance lease commitments

Minimum payment

Less future finance charge

Present value of minimum finance lease payments

	78,517	191,649
	(2,943)	(14,357)
	<u>75,574</u>	<u>177,292</u>

The finance leases are on motor vehicles of which there are 10, commencing between 2009 and 2011, and are for terms ranging between 2 and three years.

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets as at reporting date to be disclosed.

20 SUBSEQUENT EVENTS

In the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report

21 MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the company. At 30 June 2012 the number of members was 169 (2011: 182).

22 Discontinued operation

In July 2011 the Company discontinued the bureau operations that facilitated the sale of raffle tickets on behalf of other non-Guide Dog organisations. This segment of the Company was discontinued due to the strategic decision to place greater focus and effort on the Company's fundraising for itself for use in the delivery of services to those people within Tasmania with low vision and vision impairment.

A summary of the impact of these discontinued operations on the Company is set out below:

	2012	2011
	\$	\$
Results of discontinued operations		
Revenue	-	20,557
Expenses	-	(21,633)
Results from operating activities	-	(1,076)
Income tax	-	-
Results from operating activities, net of tax	-	(1,076)

	2012	2011
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	-	79
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash flows for the year	-	79

Royal Guide Dogs for the Blind Association of Tasmania

Directors Declaration

In the opinion of the directors of Royal Guide Dogs for the Blind Association of Tasmania (the Company):

- (a) the financial statements and notes, set out on pages 4 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including Australian Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

On behalf of the Board



David Howie
President

Dated at Hobart, 12th September 2012

Royal Guide Dogs for the Blind Association of Tasmania Ltd

Independent Audit Report to the Members of Royal Guide Dogs for the Blind Association of Tasmania

Report on the Financial Report

We have audited the accompanying financial report of Royal Guide Dogs for the Blind Association of Tasmania Ltd, which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Royal Guide Dogs for the Blind Association of Tasmania Ltd

Independent Audit Report to the Members of Royal Guide Dogs for the Blind Association of Tasmania

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion the financial report of the Royal Guide Dogs for the Blind Association of Tasmania Ltd are in accordance with the Corporations Act 2001, including:

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

WHK

WHK



Alison Flakemore
Audit Partner

Dated this 13th day of September 2012.