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

Annual Report
30 June 2014

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 2014 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 D G Howie	President	Director since June 2009. President since October 2011
Qualifications: Partner, KPMG Chartered Accountants. B.Com.Member, Institute of Chartered Accountants Australia. Member, Institute of Internal Auditors Australia. Registered Company Auditor.		
Mr B Swain	Director	Director since January 2010. Vice-President since October 2011.
Qualifications: Partner, Murdoch Clarke Barristers and Solicitors. LLB (Hons). Board Member of Tasmanian Athletic League.		
Mrs E Guy	Director	Director since June 2011.
Qualifications: Finance Manager Contact Electrical. 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.
Qualifications: Master in Regional Development Policy. Diploma Enterpreneurial Management. Graduate Australia Institute of Company Directors. Regional Manager North and North West Programs and Services, Community Development Division - DPAC.		
Ms N Nelson	Director	Director since November 2012
Qualifications: Financial Controller, B.Com, Member, CPA Australia		
Mr D Donato	Director	Director since November 2012
Qualifications: Financial Planner, Strategic Financial Planning, ADFS ,FPA		
Mr S Marston	Director	Director since November 2012
Qualifications: General Manager, Institute of Marine and Antarctic Studies, A/Dip B(A), B.Bus, Grad Dip PM, Grad Dip Franchising		
Mrs S Shoobridge	Director	Director since August 2013
Qualifications: Chief Financial Officer, Forestry Tasmania.Bachelor of Commerce, University of Melbourne.Fellow of CPA Australia Fellow of Australian Institute of Company Directors. Council Member, CPA Australia Tasmanian Divisional Council		
Mr A Hogan	Director	Director since April 2014
Qualifications: Optometrist, Optomeyes Holdings (OPSM Tasmania)		

Directors' meetings

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

Director	Directors' Meetings: Eligible to attend	Number attended
Mr D G Howie	7	5
Mr B Swain	7	7
Mrs E Guy	7	7
Ms E Dixon	7	6
Ms N Nelson	7	4
Mr D Donato	7	5
Mr S Marston	7	7
Mrs S Shoobridge	7	7
Mr A Hogan	4	3
Mr D English (Secretary)	7	7

Company Secretary

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

Royal Guide Dogs for the Blind Association of Tasmania

DIRECTORS REPORT

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 $1,054,096 (2013:$596,206).

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 2014 the number of members was 138 (2013:167).

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 2014.

Dated at Hobart, this 24th day of September 2014.

Signed in accordance with a resolution of Directors:

…………………………..
Ben Swain
Vice President

Crowe Horwath.

Crowe Horwath Tasmania
ABN 55 418 676 841
Member Crowe Horwath International

Audit and Assurance Services

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Hobart TAS 7000 Australia

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Hobart TAS 7001 Australia

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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, during the year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Tasmania

Crowe Horwath Tasmania

Alison Flakemore
Audit Partner

Dated this 17th day of September 2014.
Hobart, Tasmania

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

Annual General Purpose Financial Report
30 June 2014

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
Results from continuing operations	**Note**	$	$
Income			
Fundraising		413,301	429,184
Marketing		328,834	350,272
Services		84,315	61,303
Donations		98,588	103,209
Donations from bequests		1,138,765	804,654
Grants received		541,863	417,695
Interest received		172,699	195,653
Dividends received		79,454	62,243
Management fees		12,000	12,000
Net gain on disposal of plant and equipment		5,509	7,489
Other income		22,388	12,869
Rent		14,880	14,880
Realised/unrealised gain/(loss) on investments		208,737	162,443
Total income		3,121,333	2,633,894
Expenses			
Finance lease interest		71	2,927
Depreciation expense	10	76,509	110,765
Other expenses	4	651,507	586,526
Salary and employment benefits		1,339,150	1,337,470
Total expenses		2,067,237	2,037,688
Net surplus from continuing operations		1,054,096	596,206
Other comprehensive income			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		1,054,096	596,206

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 $	2013 $
CURRENT ASSETS			
Cash and cash equivalents	6	3,149,529	2,845,063
Trade and other receivables	7	72,200	59,336
Inventories	8	36,855	27,847
Other financial assets	9	2,517,410	1,707,906
Total current assets		5,775,994	4,640,152
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,242,724	1,298,730
Total non-current assets		1,242,724	1,298,730
Total Assets		7,018,718	5,938,882
CURRENT LIABILITIES			
Trade and other payables	11	135,209	74,098
Finance lease liabilities	12	-	4,220
Employee benefits	13	136,744	168,536
Total current liabilities		271,953	246,854
NON-CURRENT LIABILITIES			
Finance lease liabilities	12	-	-
Employee benefits	13	33,349	32,708
Total non-current liabilities		33,349	32,708
Total Liabilities		305,302	279,562
Net assets		6,713,416	5,659,320
EQUITY			
Reserves	14	796,031	796,031
Accumulated surplus		5,917,385	4,863,289
Total equity		6,713,416	5,659,320

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Asset Revaluation Reserve	Accumulated Surplus	Total Equity
	$	$	$
As at July 1, 2012	1,005,775	4,057,339	5,063,114
Total comprehensive income for the period			
Prior revaluation reserves transferred on sale of Launceston building	(209,744)	209,744	-
Surplus for the Period	-	596,206	596,206
Total other comprehensive income	-	-	-
Total comprehensive income for the period	(209,744)	805,950	596,206
Balance at 30 June 2013	796,031	4,863,289	5,659,320
As at July 1, 2013	796,031	4,863,289	5,659,320
Total comprehensive income for the period			
Surplus for the Period	-	1,054,096	1,054,096
Total comprehensive income for the period	-	1,054,096	1,054,096
Balance at 30 June 2014	796,031	5,917,385	6,713,416

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 18.

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from customers		2,651,231	2,238,419
Payments to suppliers and employees		(1,974,464)	(1,959,842)
Interest received		172,699	195,653
Interest paid		(71)	(2,927)
Net cash provided by / (used in) operating activities	15	849,395	471,303
Cash flows from investing activities			
Payments for property, plant and equipment		(20,799)	(25,847)
Dividends received		75,052	71,788
Proceeds from sale of investments		1,416,015	1,017,125
Payments for new investments		(2,016,782)	(1,899,363)
Proceeds from sale of property, plant and equipment		5,805	367,502
Net cash provided by / (used in) investing activities		(540,709)	(468,795)
Cash flows from financing activities			
Payment of finance lease liabilities		(4,220)	(71,354)
Net cash provided by / (used in) financing activities		(4,220)	(71,354)
Net increase/(decrease) in cash held		304,466	(68,846)
Cash and cash equivalents at the beginning of the financial year		2,845,063	2,913,909
Cash and cash equivalents at the end of the financial year	15	3,149,529	2,845,063

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

Royal Guide Dogs for the Blind Association of Tasmania

Notes to the Financial Report for the year ended 30 June 2014
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 24th September, 2014.

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 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 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.

(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%

Notes to the Financial Report for the year ended 30 June 2014
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 year end, 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 for the year ended 30 June 2014
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 2014, 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, unless noted below.

AASB 9 'Financial Instruments' - In October 2010 the IASB issued IFRS 9 Financial Instruments (IFRS 9 [2010]) with an effective date of 1 January 2013. IFRS 9 (2010) supersedes the previous version that was issued in November 2009 (IFRS 9 [2009]). The AASB in 2014 deferred the effective date of both these standards to 1 January 2018. Early adopters may elect to apply IFRS 9 (2010) or IFRS 9 (2009) for periods beginning before 1 January 2018. This standard forms part of the IASB's comprehensive project to replace IAS 39 (AASB 139). The standard represents a significant change in the accounting for financial assets and liabilities, including hedging arrangements. The impacts of these amendments, which become mandatory for the Company's 30 June 2019 financial statements, have not yet been quantified, however it will impact the level of disclosure around financial instruments.

IFRS 15 'Revenue from contracts with customers': This standard, awaiting approval by the AASB, contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised. The standard, if approved by the AASB, would become mandatory for the Company's 30 June 2018 financial statements. The impact on the financial statements has not yet been considered.

(o) Comparatives

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

		2014	2013
4	**OTHER OPERATING EXPENSES**	**$**	**$**
	Accommodation and travel	43,968	30,896
	Advertising	5,993	4,788
	Bank charges	5,761	5,368
	Board expenses	13,183	6,442
	Client costs	35,106	913
	Consultant fees	51,926	38,799
	Cost of goods sold	80,237	74,547
	Dogs - care expenses	18,411	15,110
	Dogs - purchase of pups	18,677	15,488
	Insurance	40,199	40,581
	Legal costs	12,459	15,963
	Light, power and gas	15,581	17,338
	Motor vehicle	46,900	46,811
	Other expenses	72,690	88,561
	Postage and freight	39,031	35,302
	Printing and stationery	47,575	45,574
	Promotional	16,650	314
	Providoring	1,138	669
	Rates and taxes	10,520	11,137
	Rent	18,829	12,893
	Repairs and maintenance	6,724	18,812
	Telephone	49,042	59,110
	Volunteer expenses	907	1,110
		651,507	586,526
5	**AUDITORS REMUNERATION**		
	Remuneration of Auditors (Crowe Horwath Tasmania)		
	• Audit of the financial report	12,005	11,600
	• Other Services	2,225	1,575
		14,230	13,175
6	**CASH & CASH EQUIVALENTS**		
	Cash on hand	2,831	3,543
	Cash at bank - operating accounts	434,462	192,726
	Cash at bank - investment accounts	2,712,236	2,648,794
		3,149,529	2,845,063
7	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Trade receivables	20,507	16,804
	Less: Provision for impairment	-	-
		20,507	16,804
	Prepayments	13,706	7,335
	GST receivable	558	2,170
	Franking credits receivable	37,429	33,027
		72,200	59,336
8	**INVENTORIES**		
	Current - at cost		
	Inventories	36,855	27,847
		36,855	27,847
9	**OTHER FINANCIAL ASSETS**		
	Financial assets at fair value through profit and loss - equity investments	2,517,410	1,707,906

10 PROPERTY, PLANT AND EQUIPMENT

		2014 $	2013 $
Freehold land and buildings			
Freehold land at fair value		570,000	570,000
Buildings at fair value		650,000	650,000
Less: accumulated depreciation		(93,755)	(72,110)
Total buildings		556,245	577,890
Total land and buildings at fair value		1,126,245	1,147,890
Plant and equipment			
Plant and equipment - at cost	(a)	497,083	513,187
Less: accumulated depreciation		(458,505)	(480,529)
Total plant and equipment		38,578	32,658
Furniture, fixture and fittings - at cost	(a)	144,273	145,967
Less: accumulated depreciation		(91,240)	(89,043)
Total furniture and fittings		53,033	56,924
Motor vehicles - at cost		241,185	266,119
Less: accumulated depreciation		(227,177)	(217,839)
Total motor vehicles		14,008	48,280
Model dogs - at cost		54,507	54,507
Less: accumulated depreciation		(43,647)	(41,529)
Total model dogs		10,860	12,978
Total plant and equipment		116,479	150,840
Total Property, plant and equipment		1,242,724	1,298,730

(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 ($31,336) [2013:34,189] and associated accumulated depreciation ($31,336) [2013:34,189] 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 2014							
Balance at the beginning of year	574,905	572,985	32,658	56,924	48,280	12,978	1,298,730
Additions	-	-	17,477	3,322	-	-	20,799
Disposals	-	-	(296)	-	-	-	(296)
Depreciation expense	-	(21,645)	(11,261)	(7,213)	(34,272)	(2,118)	(76,509)
Carrying amount at the end of 30 June 2014	574,905	551,340	38,578	53,033	14,008	10,860	1,242,724
Year ended 30 June 2013							
Balance at the beginning of year	574,905	594,630	53,721	62,114	113,901	4,401	1,403,672
Additions	-	-	7,477	6,940	-	11,430	25,847
Transfer to assets held for sale	-	-	-	-	-	-	-
Disposals	-	-	(14,381)	(5,643)	-	-	(20,024)
Depreciation expense	-	(21,645)	(14,159)	(6,487)	(65,621)	(2,853)	(110,765)
Revaluation decrease recognised in equity	-	-	-	-	-	-	-
Carrying amount at the end of 30 June 2013	574,905	572,985	32,658	56,924	48,280	12,978.00	1,298,730

The land and buildings relate to property in Hobart and were last valued independently as at 20 September 2011 by Brothers & Newton Opteon. The valuation is based on fair value measurement. The Directors have assessed the carrying value at 30 June 2014 and are satisfied the 20 September 2011 valuation for Hobart appropriately approximates fair value as at 30 June 2014.

	2014 $	2013 $
11 TRADE AND OTHER PAYABLES		
Current		
Trade payables	104,146	59,516
Sundry payables and accrued expenses	21,057	7,702
Raffle interim result	(1,149)	(13,341)
Superannuation	-	7,753
Other payables	86	1,543
PAYG Withholding Tax	11,069	10,925
	135,209	74,098
12 FINANCE LEASE LIABILITIES		
Current		
Finance lease obligation	-	4,220
	-	4,220
13 EMPLOYEE BENEFITS		
Current		
Annual leave	67,852	64,045
Long service leave	68,892	104,491
	136,744	168,536
Non-Current		
Long service leave	33,349	32,708
	33,349	32,708

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.

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:

	2014 $	2013 $
Cash and cash equivalents	3,149,529	2,845,063
	3,149,529	2,845,063
(b) Reconciliation of net surplus / (deficit) to Net Cash Provided by Operating Activities		
Net surplus / (deficit)	1,054,096	596,206
Add (less) non-cash items:		
Depreciation	76,509	110,765
Net (gain) / loss on sale of plant and equipment and shares	(5,509)	13,252
Dividend income	(79,454)	(62,243)
Unrealised (gain)/loss on revaluation of investments	(208,737)	(183,184)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(8,462)	33,103
(Increase)/decrease in inventories	(9,008)	(5,704)
Increase/(decrease) in trade and other payables	61,111	(54,435)
Increase/(decrease) in employee benefits	(31,151)	23,543
Net cash provided by operating activities	849,395	471,303

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 it financials 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 instruments 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 1-5 Years	Maturing > 5 years	Non Interest bearing	Total
2014	%	$	$	$	$	
Financial Assets:						
Cash and cash equivalents	3.47	3,146,698	-	-	2,831	3,149,529
Trade Receivables	-	-	-	-	20,507	20,507
Other Receivables	-	-	-	-	51,693	51,693
Equity Investments	-	-	-	-	2,517,410	2,517,410
Total Financial Assets		3,146,698	-	-	2,592,441	5,739,139
Financial Liabilities:						
Trade payables	-	-	-	-	104,146	104,146
Other payables	-	-	-	-	31,063	31,063
Total Financial Liabilities		-	-	-	135,209	135,209
2013						
Financial Assets:						
Cash and cash equivalents	4.06	2,841,520	-	-	3,543	2,845,063
Trade Receivables	-	-	-	-	16,804	16,804
Other Receivables	-	-	-	-	42,532	42,532
Equity Investments	-	-	-	-	1,707,906	1,707,906
Total Financial Assets		2,841,520	-	-	1,770,785	4,612,305
Financial Liabilities:						
Trade payables	-	-	-	-	59,516	59,516
Other Payables	-	-	-	-	14,582	14,582
Lease obligations	8.18	-	4,220	-	-	4,220
Total Financial Liabilities		-	4,220	-	74,098	78,318

(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 $251,741 (2013: $170,791) 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.

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:

	2014 $	2013 $
0-30 days	13,732	16,804
31-60 days	6,775	-
61-90 days (past due not impaired)	-	-
91+ days (past due not impaired)	-	-
	20,507	16,804

(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 observables market data (unobservable inputs) (level 3).

2014	Level 1 $	Total $
Financial Assets:		
Financial assets at Fair value via the profit and Loss	2,517,410	2,517,410
Available-for-sale financial assets	-	-
Held-for-trading financial assets	-	-
Held-to-Maturity financial assets	-	-
	2,517,410	2,517,410
2013		
Financial Liabilities:		
Financial assets at Fair value via the profit and Loss	1,707,906	1,707,906
Available-for-sale financial assets	-	-
Held-for-trading financial assets	-	-
Held-to-Maturity financial assets	-	-
	1,707,906	1,707,906

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.

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 2014 and 30 June 2013 are as follows:

	Note	2014 $	2013 $
Lease obligations	12	-	4,220
Less cash and cash equivalents	6	(3,149,529)	(2,845,063)
Net debt		(3,149,529)	(2,840,843)
Equity		6,713,416	5,659,320
Gearing ratio		-46.91%	-50.20%

18 CAPITAL AND LEASING COMMITMENTS

Operating lease commitments		
Payable - minimum lease payments:		
- not later than 12 months	20,800	17,073
- between 12 months and 6 years	74,533	95,333
Minimum lease payments	95,333	112,406
Present value of minimum lease payments	70,760	91,528

The operating lease relates to the lease of Launceston premises to January 2019.

Finance lease commitments		
Minimum payment	-	4,291
Less future finance charge	-	(71)
Present value of minimum finance lease payments	-	4,220

The finance leases were on motor vehicles, commencing between 2009 and 2011, and were for terms ranging between two and three years.

Capital expenditure commitment - As at 30 June 2014, the capital expenditure for plant and equipment, authorised and contracted for, which has not been provided for in the financial statements, amounted to $130,593. Settlement occurred in August and September 2014.

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.

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 2014 the number of members was 138 (2013: 167).

22 RELATED PARTY TRANSACTIONS

During the course of the reporting period, $850 was paid to Murdoch Clarke Barristers and Solicitors. Benjamin Swain is a Director of Royal Guide Dogs for the Blind Association of Tasmania and a partner of Murdoch Clarke. Mr Swain individually provides significant pro bono legal advice to the Association, however, payment was made in relation to additional expertise required in relation to advice provided. Payment was made at substantially discounted rates.

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 18** 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 2014 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

Ben Swain
Vice President

Dated at Hobart, 24th September 2014

Crowe Horwath

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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 Ltd

Report on the Financial Report

We have audited the accompanying financial report of Royal Guide Dogs for the Blind Association of Tasmania Ltd, which comprises the statement of financial position as at 30 June 2014, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 Company'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 Company'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.

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

Crowe Horwath

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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 Ltd

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Royal Guide Dogs for the Blind Association of Tasmania Ltd, would be in the same terms if given to the Directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Royal Guide Dogs for the Blind Association of Tasmania Ltd is 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 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Crowe Horwath Tasmania

Crowe Horwath Tasmania

Alison Flakemore
Audit Partner

Dated this 25th day of September 2014.
Hobart, Tasmania