



**Guide
Dogs.**

Annual Financial Report 2020-2021

Community and innovation
through uncertain times

**GUIDE DOGS QUEENSLAND LIMITED
ABN 89 009 739 664
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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Directors' Report

Your Directors present this report on the financial year ended 30 June 2021.

Directors

The names of each person who has been a Director at any time during the year ended 30 June 2021 and to the date of this report are:

Mr R A Anderson, OAM	President
Ms L M Muller	Vice President
Ms L E Reynolds	Company Secretary
Mr A S Ali (Retired 30 September 2021)	
Mr D A Jackson	
Mr D P Swain	
Mr T du Preez (Appointed 1 September 2020)	
Ms L Daly (Appointed 23 September 2021)	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

Guide Dogs Queensland (GDQ) is incorporated as a company limited by guarantee. The principal activity during the financial year was to provide mobility services to people in Queensland who are blind or vision impaired. The Company's tax exempt income and property is applied solely to these activities which are limited only to the extent that the Company is able to raise income and acquire property through its fundraising programmes. No significant changes in the nature of the Company's activities occurred during the financial year.

Result of Operations

Guide Dogs Queensland operations for the year resulted in a surplus of \$2,277,824 (2020 deficit: \$2,208,702). Total comprehensive surplus was \$2,464,557 (2020 deficit: \$2,381,394).

The total income from operations for 2020/21 was \$18.92 million, an increase of \$5.66 million (42.7%) from 2019/20 and total expenses were \$16.64 million, an increase of \$1.17 million (7.6%) from 2019/20.

Contributing to the increase in fundraising income was a record result in our bequest program totalling \$6,239,832 (2020: \$4,487,824) and merchandise sales of \$859,874 (2020: \$93,096). Major increases in other income include a gain on sale of non-current assets \$556,816 (2020: \$0) and gain on financial assets at fair value through profit and loss of \$1,580,397 (2020 loss: \$984,096).

Review of Operations

Despite the continued impact of the coronavirus pandemic, Guide Dogs Queensland remained focused and stable this past year.

GDQ placed 24 guide dogs and provided programs and assistance to over 500 individuals and their families across the state whilst continuing to expand and grow internally, prioritising workplace wellness and a culture of connection.

GDQ continued to invest in technology platforms for fundraising, staff communications, quality and compliance, volunteer and staff training portals as well as client and dog colony management software.

Our national collaborations under the Guide Dogs Australia brand continue to serve our organisation well making good progress on a number of initiatives, including a national Gifts in Wills program, corporate partnerships, the Pawgust fundraising campaign and the rolling out across Australia of our new national brand.

Directors' Report (continued)

Following endorsement at the 2020 Annual General Meeting, our organisational name has now been officially changed to Guide Dogs Queensland Limited (formerly Guide Dogs for the Blind Association of Queensland). This aligns our registered business and trading names and more closely reflects how we are known by our supporters and the general public. At the same time, we also updated our constitution to ensure it remains a relevant and effective governance document for the organisation.

It is a privilege to be a part of a community of donors, supporters, volunteers and staff who are dedicated to supporting Queenslanders with low vision and blindness to live the life they choose. Thank you for your contribution in whatever way you choose to show your support.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Events Subsequent to Balance Date

Other than disclosed in this report, no matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of the operations or the state of affairs of the Company in financial years subsequent to 30 June 2021.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company. The contract of insurance specifies that we are unable to disclose the nature of the liabilities covered by the policy and the amount of the premium.

Meetings of directors

The number of meetings of the company's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Audit Committee		Investment Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr R A Anderson	10	11	-	-	-	-
Ms L M Muller	10	11	2	4	-	-
Ms L E Reynolds	7	11	4	4	-	-
Mr A S Ali	8	11	-	-	1	1
Mr D A Jackson	9	11	-	-	1	1
Mr D P Swain	10	11	4	4	-	-
Mr T du Preez	9	10	4	4	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.



Director

Dated this 30th September 2021 in Brisbane.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021			2020		
		\$			\$		
		INCOME	EXPENSES	NET	INCOME	EXPENSES	NET
Fundraising	2	13,160,440	6,622,832	6,537,608	9,575,545	4,713,752	4,861,793
Services							
Client Services		761,079	3,635,340	(2,874,261)	812,597	3,725,871	(2,913,274)
Guide Dog services & supply		942,026	5,483,849	(4,541,823)	813,283	4,982,267	(4,168,984)
	2	1,703,105	9,119,189	(7,416,084)	1,625,880	8,708,138	(7,082,258)
Other							
Dividends & interest		553,304	216,132	337,172	745,958	264,294	481,664
Other		1,366,027	684,112	681,915	1,313,620	799,425	514,195
Gain/ (Loss) on financial assets at fair value through profit or loss		1,580,397	-	1,580,397	-	984,096	(984,096)
Gain/ (Loss) on sale of non-current assets		556,816	-	556,816	-	-	-
	2	4,056,544	900,244	3,156,300	2,059,578	2,047,815	11,763
Surplus (deficit) before income tax				2,277,824			(2,208,702)
Income tax expense	1			-			-
Surplus (deficit) for the year				2,277,824			(2,208,702)
Other comprehensive income (loss)							
Changes in the fair value of debt instruments at fair value through other comprehensive income				186,733			(172,692)
Other comprehensive income (loss) for the year				186,733			(172,692)
Total comprehensive income (loss) for the year				2,464,557			(2,381,394)

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
Current assets			
Cash on hand	5	3,305,691	3,114,548
Trade and other receivables	6	781,178	1,124,038
Inventories on hand	7	2,321,444	2,653,480
Term deposits	8	1,500,000	2,000,000
Assets held for sale	9	-	544,787
Total current assets		7,908,313	9,436,853
Non-current assets			
Property, plant and equipment	10	5,904,895	6,178,478
Intangible assets	12	303,687	147,434
Right of use assets	11	643,233	416,426
Investments	8	15,151,846	12,544,713
Total non-current assets		22,003,661	19,287,051
Total assets		29,911,974	28,723,904
Current liabilities			
Accounts payable and other payables	13	885,211	2,350,724
Employee provisions	15	1,278,839	1,179,479
Lease liability	14	170,970	130,081
Other liabilities	17	325,540	481,559
Total current liabilities		2,660,560	4,141,843
Non-current liabilities			
Employee provisions	15	80,070	75,199
Lease liability	16	500,491	300,566
Total non-current liabilities		580,561	375,765
Total liabilities		3,241,121	4,517,608
Net assets		26,670,853	24,206,296
Equity			
Retained surplus		26,473,914	24,196,090
Reserve	8	196,939	10,206
Total equity		26,670,853	24,206,296

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 30 JUNE 2021**

	RESERVES	RETAINED SURPLUS	TOTAL
	\$	\$	\$
Balance at 30 June 2019	182,898	26,404,792	26,587,690
Comprehensive income			
Deficit for the year	-	(2,208,702)	(2,208,702)
Other comprehensive income (loss) during the year	(172,692)	-	(172,692)
Total comprehensive income (loss) for the period	(172,692)	(2,208,702)	(2,381,394)
Balance at 30 June 2020	10,206	24,196,090	24,206,296
Comprehensive income			
Surplus for the year	-	2,277,824	2,277,824
Other comprehensive income during the year	186,733	-	186,733
Total comprehensive income for the period	186,733	2,277,824	2,464,557
Balance at 30 June 2021	196,939	26,473,914	26,670,853

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from contributors and grants		15,463,717	11,714,194
Payments to suppliers and employees		(17,328,676)	(13,714,598)
Dividends received		588,201	876,173
Interest received		12,264	63,374
Interest paid		(12,858)	-
Interest paid - leases		(29,994)	(30,128)
Net cash inflows/(outflows) from operating activities		(1,307,346)	(1,090,985)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,222,198	201,310
Payments for property, plant and equipment and intangibles		(648,091)	(870,419)
Proceeds from sale of investment		4,501,630	3,515,673
Payments for investments		(3,918,056)	(2,551,609)
Payments for leases		(159,192)	(138,536)
Net cash inflows/(outflows) from investing activities		998,489	156,419
Net increase/(decrease) in cash held		(308,857)	(934,566)
Cash on hand at beginning of the financial year		5,114,548	6,049,114
Cash on hand at the end of the financial year	18(a)	4,805,691	5,114,548

This financial statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

ABOUT THIS REPORT

Change of name

On 10 March 2021, Guide Dogs For The Blind Association Of Queensland Limited changed its name to Guide Dogs Queensland Limited.

Corporate Information

The report covers Guide Dogs Queensland Limited ('the Company') and the economic activities as an individual entity, of a company limited by guarantee and domiciled in Australia.

The Company is a non-profit and receives a principle part of its income from donations as cash or in kind.

The Company is a deductible gift recipient (DGR).

Organisation Details

The registered office of the Company is:

Guide Dogs Queensland Limited
1978 Gympie Rd
Bald Hills Qld 4036

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 30 September 2021 by the directors of the Company.

Income tax

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

Comparative figures

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

Critical accounting estimates and judgements

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to assumptions about future usage and obsolescence.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

NOTE 2: REVENUE**Revenue and Other Income**

	2021	2020
	\$	\$
Revenue		
Fundraising		
Bequests	6,239,832	4,487,824
Donations from corporate & community	3,097,935	2,763,329
Art union / telemarketing / merchandise	2,834,641	1,412,250
Donations and appeals	988,032	912,142
	<u>13,160,440</u>	<u>9,575,545</u>
Services		
Client services	761,079	812,597
Guide Dog services & supply	942,026	813,283
	<u>1,703,105</u>	<u>1,625,880</u>
Other income		
Dividends and interest	553,304	745,958
Other income	10,027	123,120
JobKeeper and Cashflow Boost	1,356,000	1,190,500
Gain/Loss on sale of non-current assets	556,816	-
Gain on financial assets at fair value through profit or loss	1,580,397	-
	<u>4,056,544</u>	<u>2,059,578</u>
Total Revenue and Other Income	<u><u>18,920,089</u></u>	<u><u>13,261,003</u></u>

Accounting Policy**Revenue recognition**

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with the customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations and bequests

Donations and bequests are recognised when received.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****Grants**

Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied. Otherwise, the grant is accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Goods and services tax (GST)

Revenues are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

NOTE 3: OPERATING EXPENSES

	2021	2020
	\$	\$
Movement in value of inventory of Guide Dogs in training	394,785	6,480
Rental expenses	15,985	12,693
Legal expenses	100,066	45,502
Repairs & maintenance	98,184	110,268
Printing and stationery	177,983	146,119
Depreciation & amortisation	784,602	792,227

Accounting Policy**Goods and services tax (GST)**

Expenses are recognised net of the amount of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers.

NOTE 4: AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Amount paid to BDO Audit Pty Ltd for:		
Audit of the financial statements	44,100	42,000
Audit - under provision prior year	9,000	2,998
Other audit related services	10,412	11,589
	<u>63,512</u>	<u>56,587</u>

NOTE 5: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash on hand	4,150	4,600
Cash at bank	3,301,541	3,109,948
	<u>3,305,691</u>	<u>3,114,548</u>

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and deposits at call or other short-term highly liquid investments, which are subject to insignificant risks of changes in their value.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****NOTE 6: TRADE AND OTHER RECEIVABLES**

	2021	2020
	\$	\$
Debtors	75,697	74,060
Other receivables	365,598	716,286
GST receivable	48,887	28,764
Trade and other receivables at amortised cost	<u>490,182</u>	<u>819,110</u>
Prepayments	227,274	242,525
Bartercard	125,972	124,653
Provision for impairment	<u>(62,250)</u>	<u>(62,250)</u>
	<u><u>781,178</u></u>	<u><u>1,124,038</u></u>

Accounting Policy

Trade and other receivables at amortised cost include amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Receivables in the Statement of Financial Position are shown inclusive of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

NOTE 7: INVENTORIES

	2021	2020
	\$	\$
Trading inventory	278,435	215,686
Guide Dogs in training	2,043,009	2,437,794
	<u><u>2,321,444</u></u>	<u><u>2,653,480</u></u>

Accounting Policy

Trading Inventories are measured at the lower of cost and current replacement cost. Cost has been determined by the average cost method.

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

Guide Dogs in training are valued at cost determined by reference to on-going direct cost of nurturing and training the dogs to their current stage of development.

NOTE 8: INVESTMENTS**Financial assets at amortised cost**

	2021	2020
	\$	\$
Current		
Term deposits - 31 days plus	500,000	1,000,000
Term deposits - 60 days plus	1,000,000	1,000,000
	<u><u>1,500,000</u></u>	<u><u>2,000,000</u></u>

	2021	2020
	\$	\$
Financial assets at fair value through other comprehensive income		
Debt instruments	4,821,440	4,735,519
	<u><u>4,821,440</u></u>	<u><u>4,735,519</u></u>

Financial assets at fair value through profit of loss

	2021	2020
	\$	\$
Direct equity investments and managed funds	10,330,406	7,809,194
	<u><u>10,330,406</u></u>	<u><u>7,809,194</u></u>
Total investments	<u><u>15,151,846</u></u>	<u><u>12,544,713</u></u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****Accounting policy**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- Amortised cost;
- Fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI).

Classifications are determined by both:

- The entities business model for managing the financial asset;
- The contractual cash flow characteristics of the financial assets.

Financial assets that are measured at fair value, are measured at fair value on an ongoing basis. Fair value is determined by reference to quoted market prices.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument as well as long-term deposits.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. This category includes direct equity and managed fund investments.

Debt instruments at fair value through other comprehensive income (Debt FVTOCI)

Investments in debt instruments that are held to collect cash flow and sell at the right time are to be measured at FVTOCI.

Under Debt FVTOCI, subsequent movements in fair value are recognised in other comprehensive income and are reclassified to profit or loss on disposal.

NOTE 9: ASSETS HELD FOR SALE

	2021	2020
	\$	\$
Property, plant and equipment	-	544,787
	-	544,787

Accounting Policy

Non-current assets are classified as held for sale if it is highly probable that the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

These assets are measured at the lower of its carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****NOTE 10: PROPERTY, PLANT & EQUIPMENT**

	2021	2020
	\$	\$
Property, plant and equipment		
Land, buildings and improvements		
Freehold land		
At cost	354,112	381,312
Buildings and improvements		
At cost	6,833,044	6,954,117
Accumulated depreciation	<u>(2,320,156)</u>	<u>(2,221,223)</u>
	<u>4,512,888</u>	<u>4,732,894</u>
Total land, buildings and improvements	7,187,156	7,335,429
Total accumulated depreciation	<u>(2,320,156)</u>	<u>(2,221,223)</u>
Total land, buildings and improvements	<u>4,867,000</u>	<u>5,114,206</u>
Plant and Equipment		
Furniture, fixtures and fittings - at cost	588,192	544,392
Accumulated depreciation	<u>(456,854)</u>	<u>(417,779)</u>
	<u>131,338</u>	<u>126,613</u>
Office plant and equipment - at cost	1,517,558	1,411,793
Accumulated depreciation	<u>(925,178)</u>	<u>(779,765)</u>
	<u>592,380</u>	<u>632,028</u>
Motor vehicles - at cost	1,091,917	1,047,031
Accumulated depreciation	<u>(873,272)</u>	<u>(822,940)</u>
	<u>218,645</u>	<u>224,091</u>
Promotional equipment - at cost	582,654	577,774
Accumulated depreciation	<u>(530,962)</u>	<u>(504,454)</u>
	<u>51,692</u>	<u>73,320</u>
Capital works in progress	<u>43,840</u>	<u>8,220</u>
Total plant and equipment	3,824,161	3,589,210
Accumulated depreciation	<u>(2,786,266)</u>	<u>(2,524,938)</u>
Total plant and equipment	<u>1,037,895</u>	<u>1,064,272</u>
Total property, plant and equipment	11,011,317	10,924,639
Accumulated depreciation	<u>(5,106,422)</u>	<u>(4,746,161)</u>
Total property, plant and equipment	<u>5,904,895</u>	<u>6,178,478</u>

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2021	<i>Freehold land</i>	<i>Building & improvements</i>	<i>Furniture fixtures & fittings</i>	<i>Office plant & equipment</i>	<i>Motor vehicles</i>	<i>Promotional equipment</i>	<i>Work in Progress</i>	<i>Total</i>
Carrying amount at 1 July 2020	381,312	4,732,894	126,613	632,028	224,091	73,320	8,220	6,178,478
Additions	-	25,951	48,194	175,681	76,620	6,106	189,961	522,513
Transfer to Buildings and improvements	-	79,486	-	-	-	-	(79,486)	-
Transfer to Intangibles	-	-	-	-	-	-	(74,855)	(74,855)
Disposals	(27,200)	(111,694)	-	(15,123)	-	-	-	(154,017)
Depreciation	-	(213,749)	(43,469)	(200,206)	(82,066)	(27,734)	-	(567,224)
Carrying amount at 30 June 2021	354,112	4,512,888	131,338	592,380	218,645	51,692	43,840	5,904,895

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****Accounting Policy**

Each class of property, plant and equipment is carried at cost, less where applicable, accumulated depreciation and any impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Property, plant and equipment that have been contributed at no cost, or for nominal cost are initially recognised and measured at the fair value of the asset at the date it is acquired.

Depreciation of property, plant and equipment

The depreciable amount of all fixed assets including buildings, but excluding freehold land is depreciated on a straight line basis over the asset's expected useful life to the Company commencing from the time the asset is available for use.

For building and improvements, different depreciation rates are used depending on the type of the asset.

Class of fixed asset	Useful life
Buildings and improvements	10, 20 & 40
Office plant and equipment	5 – 10
Furniture fixtures and fittings	5 – 10
Promotional equipment	5
Motor vehicles	4

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****NOTE 11: RIGHT-OF-USE ASSETS**

	2021 \$	2020 \$
Land and Buildings - right-of-use	751,316	419,152
Less: Accumulated depreciation	<u>(242,280)</u>	<u>(116,126)</u>
	<u>509,036</u>	<u>303,026</u>
Plant and Equipment - right-of-use	132,186	132,186
Less: Accumulated depreciation	<u>(57,123)</u>	<u>(28,066)</u>
	<u>75,063</u>	<u>104,120</u>
Motor Vehicle - right-of-use	85,688	17,846
Less: Accumulated depreciation	<u>(26,554)</u>	<u>(8,566)</u>
	<u>59,134</u>	<u>9,280</u>
Right-of-use assets	<u><u>643,233</u></u>	<u><u>416,426</u></u>

Accounting Policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTE 12: INTANGIBLE ASSETS

	2021 \$	2020 \$
Intangible assets		
Software at cost	1,036,257	835,824
Accumulated amortisation	<u>(732,570)</u>	<u>(688,390)</u>
	<u>303,687</u>	<u>147,434</u>

Reconciliation of intangible assets at the beginning and end of the current financial year is set out below:

Carrying amount at 1 July	147,434	119,255
Additions	125,578	30,520
Transfer from work in progress	74,855	51,971
Amortisation	<u>(44,180)</u>	<u>(54,312)</u>
Carrying amount at 30 June	<u>303,687</u>	<u>147,434</u>

Accounting Policy

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses.

Software has an estimated useful life of between one and five years. It is assessed annually for impairment.

Expenditure capitalised comprises of costs directly attributable to the development of the software.

Amortisation is calculated on a straight line basis over the expected useful life of the software. Amortisation is recognised once the asset is available for use.

NOTE 13: TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Trade creditors	319,313	203,119
Accruals	558,560	2,144,533
GST payable	<u>7,338</u>	<u>3,072</u>
	<u>885,211</u>	<u>2,350,724</u>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****Accounting Policy**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 14: CURRENT LIABILITIES - LEASE LIABILITIES

	2021	2020
	\$	\$
Lease liability	<u>170,970</u>	<u>130,081</u>

Accounting Policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 15: PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee provisions

	2021	2020
	\$	\$
Current		
Provision for annual leave	800,043	719,416
Provision for long service leave	<u>478,796</u>	<u>460,063</u>
	<u>1,278,839</u>	<u>1,179,479</u>
Non-Current		
Provision for long service leave	<u>80,070</u>	<u>75,199</u>

Accounting Policy*Short-term employee benefits*

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

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as part of accounts payable and other payables in the statement of financial position.

Other long-term employee provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021***Superannuation*

Contributions are made by the Company to an employee superannuation fund and charged as expenses when incurred.

NOTE 16:	NON CURRENT LIABILITIES - LEASE LIABILITIES	2021	2020
		\$	\$
Lease liability		<u>500,491</u>	<u>300,566</u>

Accounting Policy

Provision is made for lease liabilities not expected to be settled wholly within 12 months after the end of the annual reporting period.

NOTE 17:	OTHER LIABILITIES	2021	2020
		\$	\$
Unearned income		<u>325,540</u>	<u>481,559</u>

Accounting Policy

The timing of income recognition is dependent upon whether a transaction gives rise to a liability or other performance obligation at the time of receipt. The liability is brought to account as income over the period in which the company satisfies its performance obligations. Unearned income at balance sheet date represents those receipts where the company is yet to satisfy its performance obligations.

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments. Cash 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:

	2021	2020
	\$	\$
Cash at bank	3,301,541	3,109,948
Cash on hand	<u>4,150</u>	<u>4,600</u>
	3,305,691	3,114,548
Capital investment funds	<u>1,500,000</u>	<u>2,000,000</u>
Cash balance as per statement of cash flows	<u>4,805,691</u>	<u>5,114,548</u>

(b) There are no non-cash financing or investing activities.**NOTE 19: FINANCIAL INSTRUMENTS**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

	Note	2021	2020
Financial assets		\$	\$
Cash and cash equivalents	18a	4,805,691	5,114,548
Trade and receivables at amortised cost	6	490,182	819,110
Investments	8	<u>15,151,846</u>	<u>12,544,713</u>
Total financial assets		<u>20,447,719</u>	<u>18,478,371</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables at amortised cost	13	<u>885,211</u>	<u>2,350,724</u>
Total financial liabilities		<u>885,211</u>	<u>2,350,724</u>

Refer to Note 8 for detailed disclosures regarding the fair value measurement of the Company's investments.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2021****NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2021	2020
	\$	\$
Remuneration including reportable fringe benefits	<u>925,862</u>	<u>926,829</u>

The names of persons who were directors of the Company at any time during the financial year are as follows:

Mr R A Anderson OAM	President
Ms L M Muller	Vice President
Ms L E Reynolds	Company Secretary
Mr A S Ali	
Mr D A Jackson	
Mr D P Swain	
Mr T du Preez	

For the year ended 30 June 2021, no remuneration was paid to the Directors of the Company (2020: \$0).

Ms Reynolds is a partner of HWL Ebsworth Lawyers, which has provided probono professional services with a value of \$4,562 (2020: \$4,099) and fee matters of \$7,039 (2020: \$9,461) in respect of legal services provided in the ordinary course of business to the Company.

Other key management personnel

Mr M Kightley	Chief Executive Officer
Ms F Karydis	Chief Financial Officer
Mr J Beveridge	General Manager Community Engagement
Mr L Buckingham	General Manager Guide Dog Services
Ms E Roberts	General Manager Client Engagement

NOTE 21: LIMITED LIABILITY

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 outstanding obligations of the entity. At 30 June 2021, the total amount that members of the company are liable to contribute if the company wound up is \$3,020 (2020: \$3,020).

NOTE 22: EMPLOYEE NUMBERS	2021	2020
Number of employees at the end of financial year	150	129

NOTE 23: INVESTMENT IN WHOLLY OWNED SUBSIDIARIES

The Company wholly owns the one issued share in each of the following companies:

Australian Guide Dogs Pty Ltd (formerly Guide Dogs Australia Pty Ltd)
Guide Dogs Pty Ltd

The companies have not traded and have no assets or liabilities apart from the one issued share.

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of the operations or the state of affairs of the Company in financial years subsequent to 30 June 2021.

NOTE 25: CONTINGENT LIABILITIES AND ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at reporting date.

DIRECTORS' DECLARATION

The directors of Guide Dogs Queensland Limited declare that, in the directors' opinion:

- 1 The financial statements and notes as set out on pages 4 to 18 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with the Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations and the Australian Charities and Not-for-profits Commission Regulation 2013) ; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2021 and of its performance for the year ended on that date.
- 2 There are reasonable grounds to believe that Guide Dogs Queensland Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-Profit Commission Regulation 2013.

On behalf of the directors by:



Dated this 30th September 2021 in Brisbane.

INDEPENDENT AUDITOR'S REPORT

To the members of Guide Dogs Queensland Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Guide Dogs Queensland Limited (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors 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 - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



A J Whyte
Director

Brisbane, 30 September 2021