

ASSISTANCE DOGS AUSTRALIA LIMITED

(a company limited by guarantee)

ABN 90 074 746 160

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

ASSISTANCE DOGS AUSTRALIA LIMITED

DIRECTORS' REPORT

The Directors present their report together with the special purpose financial report of Assistance Dogs Australia Limited (the "Company") for the year ended 30 June 2016 and the auditor's report thereon.

Directors

The directors at any time during or since the end of the financial year are:

Rowan McDonald, appointed 19 September 2005 (Chairman); Robert Biggs, appointed 8 July 1996; Yvonne Duncan, appointed 13 August 2001; Sean Brogan, appointed 14 July 2003; Samuel Haynes, appointed 27 August 2007; Tim McCallum, appointed 14 June 2016; Peter Darch, appointed 23 October 2013 and resigned 16 August 2016; Ashley Hayden, appointed 15 August 2011 and resigned 16 August 2016; Colin Skead, appointed 20 April 2011 and resigned 14 June 2016;.

Directors Meetings

The number of meetings of Directors held during the period and the number of meetings attended by each Director, were as follows:

<i>Name of Director</i>	<i>Number of meetings attended</i>	<i>Meetings eligible to attend</i>
Rowan McDonald	5	5
Robert Biggs	5	5
Peter Darch	0	5
Yvonne Duncan	4	5
Sean Brogan	5	5
Sam Haynes	4	5
Colin Skead	3	5
Ashley Hayden	3	5
Tim McCallum	1	1

Secretary

Robert Biggs was appointed to the position of Company secretary on 25 September 2000.

Principal activities

Assistance Dogs Australia Limited trains and supplies service dogs to assist persons with physical disabilities.

Result, review of operations and likely developments

During the year, the Company earned a profit for the financial year of \$563,620 (2014 - \$1,565,368). The principal reason for the decrease was a reduction in the value of bequests received during the year (\$332,457) compared to 2015 (\$1,391,333). Otherwise, the Company's financial performance remained stable compared to 2015.

ASSISTANCE DOGS AUSTRALIA LIMITED

DIRECTORS' REPORT

(Continued)

Dividends

No dividends have been paid or declared since the commencement of the year and the directors do not recommend the declaration of a dividend.

State of affairs

In the opinion of the directors, there were no other 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

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, in the opinion of the directors, to affect significantly the operations, or the state of affairs of the Company in subsequent financial years.

Directors' benefits

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest).

Indemnification and insurance of officers and auditors

In accordance with the Company's Articles of Association, every director, associate director, agent, auditor and secretary and other officer for the time being of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of his office or otherwise in relation thereof.

Environmental regulation

The Company's operations are not subject to any significant extent in respect of environmental regulations under either Commonwealth or State legislation.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the year ended 30 June 2016.

Signed in accordance with a resolution of the directors:



Rowan McDonald
Director

Dated at Sydney this 18th day of October 2016.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

To: the directors of Assistance Dogs Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been no contraventions of:

- a) the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

PM Reid CA

Sydney
18 October 2016

ASSISTANCE DOGS AUSTRALIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	5,405,577	5,575,967
Operating expenses	3	(4,841,957)	(4,010,599)
Profit/(loss) before income tax		563,620	1,565,368
Income tax expense	1(i)		-
Profit/(loss) after income tax		563,620	1,565,368
Other comprehensive income			-
Total comprehensive income		563,620	1,565,368

The statement of comprehensive income should be read in conjunction with the accompanying notes.

ASSISTANCE DOGS AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

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	2016	2015
Note	\$	\$
Assets		
Cash at bank and on deposit	2,626,178	4,248,133
Trade and other receivables	126,971	145,859
Stock on hand	33,054	26,976
Property and equipment	2,613,406	2,476,500
Total assets	5,399,609	6,897,468
Liabilities		
Trade creditors and other liabilities	176,377	2,247,273
Provision for employee entitlements	140,461	131,044
Total liabilities	316,838	2,378,317
Net Assets	5,082,771	4,519,151
Members' funds		
Contributed equity	1,196,387	1,196,387
Members' building fund	3,491,621	3,159,164
Accumulated earnings/(losses)	394,763	163,600
Total members' funds	5,082,771	4,519,151

The statement of financial position should be read in conjunction with the accompanying notes.

ASSISTANCE DOGS AUSTRALIA LIMITED
STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

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	2016	2015
	\$	\$
Contributed equity		
Opening balance	1,196,387	1,196,387
Movements during the year	-	-
Closing balance	<u>1,196,387</u>	<u>1,196,387</u>
Members' building fund		
Opening balance	3,159,164	1,767,831
Transfer from current year's profit	332,457	1,391,333
Closing balance	<u>3,491,621</u>	<u>3,159,164</u>
Accumulated earnings/(losses)		
Opening balance	163,600	(10,435)
Profit for the year	563,620	1,565,368
Transfer to Members' building fund	(332,457)	(1,391,333)
Closing balance	<u>394,763</u>	<u>163,600</u>
Total Members' funds	<u>5,082,771</u>	<u>4,519,151</u>

The statement of changes in Members' funds should be read in conjunction with the accompanying notes.

ASSISTANCE DOGS AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

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	2016	2015
Note	\$	\$
Cash flows from operating activities		
Receipts from donors, clients and fundraising	5,674,856	5,418,421
Payments to suppliers and employees	(5,184,430)	(3,809,886)
Interest	83,088	97,906
Net cash provided by operating activities	<u>573,514</u>	<u>1,706,441</u>
Cash flows from investing activities		
Net Payments for property, plant and equipment	<u>(2,195,469)</u>	<u>(360,505)</u>
Net (decrease)/increase in cash held	(1,621,955)	1,345,936
Cash on hand at the beginning of the financial year	4,248,133	2,902,197
Cash held at the end of the financial year	<u>5(a) 2,626,178</u>	<u>4,248,133</u>

The statement of cash flows should be read in conjunction with the accompanying notes.

1 Significant accounting policies

(a) Reporting entity

Assistance Dogs Australia Limited is not considered to be a reporting entity under Australian Accounting Concepts.

The financial report of the Company was authorised for issue by the Directors on October 2016.

(b) Basis of preparation

(i) Statement of compliance

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") (with the exceptions of the disclosure provisions of AASB7 Financial Instruments: Disclosure, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 124 Related Party Disclosures), the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and other requirements of the law as they are applicable to a charitable fundraising organisation. A statement of compliance with International Financial Reporting Standards cannot be made due to the organisation applying the not-for-profit sector specific requirements contained in the Australian Accounting Standards.

(ii) Basis of measurement

The financial report has been prepared on the basis of historical cost.

(iii) Presentation currency

The financial report is presented in Australian dollars.

(c) Cash

Cash represents amounts held in bank accounts and on deposit.

(d) Trade receivables

Trade receivables represent sundry amounts owed to the Company.

(e) Investments

The amounts shown in the balance sheet include accrued interest to balance date.

(f) Trade creditors and other liabilities

Trade creditors represent amounts owing to suppliers for services provided but not yet paid. The amounts disclosed are usually paid within 30 days of recognition.

(g) Revenue

Donations

Donations are recorded as revenue on the date they are received.

Fundraising activities

Revenue from fundraising activities is recognised once the activity has been held.

Interest income

Interest income on cash and investments are recognised on an accruals basis.

(h) Expenses

Expenses are recognised when the underlying service has been incurred.

(i) Income Tax

The Company is a Public Benevolent Institution and is exempt from income tax in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

(j) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts, and other disclosures.

**ASSISTANCE DOGS AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

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	2016	2015
	\$	\$
2 Revenue		
Fundraising activities		
Bequests	332,457	1,391,333
Donations (including appeals), grants & sponsorship	4,907,565	3,988,216
Fundraising events & merchandise	103,193	91,333
Total income from fundraising activities	5,343,215	5,470,882
Other income		
Interest income	62,362	105,085
Total other income	62,362	105,085
Total revenue	5,405,577	5,575,967
3 Operating expenses		
(Includes purchasing, training and maintaining dogs, servicing clients and administration)		
Advertising and promotion	7,413	8,918
Bank charges and credit card expenses	40,231	35,180
Computer, database and website expenses	98,042	61,338
Consultancy	69,622	34,344
Depreciation and amortisation	77,349	56,258
Education program	11,276	8,764
Insurances	6,701	6,567
Miscellaneous expenses	36,814	50,107
Motor vehicle expenses	11,868	6,592
Other employment expenses	68,992	57,894
Pet transport	17,445	8,544
Printing, postage and stationery	25,812	25,441
Puppy raising program	36,701	37,427
Rent and property expenses	107,871	56,948
Subscriptions, licences and legal fees	13,588	19,213
Superannuation	114,380	99,453
Telephone, fax and internet	33,375	26,789
Training and veterinary expenses	120,134	85,441
Travel	100,602	78,785
Wages	1,301,626	1,147,929
Total operating expenses	2,299,842	1,911,932
Fundraising activities		
Cost of fundraising and promotional items	2,542,115	2,098,667
Total operating expenses	4,841,957	4,010,599

In 2016 and 2015 P M Reid provided audit services on a pro bono basis.

ASSISTANCE DOGS AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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	2016 \$	2015 \$
4 Application of funds received for charitable purposes		
(a) Gross proceeds from fundraising		
Bequests, other donations, grants and sponsorship	1,830,828	2,375,280
Specific fundraising activities		
- events, telemarketing and direct mail	1,756,557	1,676,990
- sponsor a puppy	1,593,505	1,268,723
- sale of merchandise	17,163	30,983
- corporate staff giving	145,162	118,906
	<u>3,512,387</u>	<u>3,095,602</u>
Total gross fundraising proceeds	5,343,215	5,470,882
(b) Cost of fundraising appeals	<u>(2,542,115)</u>	<u>(2,098,667)</u>
(c) Net surplus from fundraising from (a) and (b)	<u>2,801,100</u>	<u>3,372,215</u>
(d) Net surplus was expended as follows		
Advertising and promotion	7,413	8,918
Bank charges and credit card expenses	40,231	35,180
Computer, database and website expenses	98,042	61,338
Consultancy expenses	69,622	34,344
Depreciation and amortisation	77,349	56,258
Education expenses	11,276	8,764
Insurances	6,701	6,567
Miscellaneous expenses	36,814	50,107
Motor vehicle expenses	11,868	6,592
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Puppy raising program	36,701	37,427
Rent and property expenses	107,871	56,948
Subscriptions, licences and legal fees	13,588	19,213
Superannuation	114,380	99,453
Telephone, fax and internet	33,375	26,789
Training and veterinary expenses	120,134	85,441
Travel	100,602	78,785
Wages	1,301,626	1,147,929
Total expenditure	<u>2,299,842</u>	<u>1,911,932</u>
Balance of surplus from fundraising transferred to accumulated earnings	<u>501,258</u>	<u>1,460,283</u>

	2016 \$	2015 \$
4 Application of funds received for charitable purposes		
(d) Net surplus was expended as follows (ctd)		
Reconciliation of (deficit)/surplus from fundraising to accumulated earnings		
Balance of (deficit)/surplus from fundraising	501,258	1,460,283
Interest received	62,362	105,085
Total surplus for the year	<u>563,620</u>	<u>1,565,368</u>
(e) Comparison by monetary figures and percentages		
<i>Including bequests</i>		
Total cost of fundraising	2,542,115	2,098,667
Gross proceeds from fundraising	5,343,215	5,470,882
Percentage	47.6%	38.4%
Net surplus from fundraising	2,801,100	3,372,215
Gross proceeds from fundraising	5,343,215	5,470,882
Percentage	52.4%	61.6%
<i>Excluding bequests</i>		
Total cost of fundraising	2,456,673	2,035,707
Gross proceeds from fundraising	5,010,758	4,079,549
Percentage	49.0%	49.9%
Net surplus from fundraising	2,554,085	2,043,842
Gross proceeds from fundraising	5,010,758	4,079,549
Percentage	51.0%	50.1%
5 Notes to the statement of cash flows		
(a) Reconciliation of cash		
For the purpose of the statement of cash flows, cash at the end of the financial year is reconciled to the following items in the balance sheet:		
Cash at bank, on hand and on deposit	<u>2,626,178</u>	<u>4,248,133</u>
(b) Reconciliation of net profit/(loss) to net cash (used in)/provided by operating activities		
Operating profit/(loss)	563,620	1,565,368
Add Depreciation and amortisation	77,349	56,258
Less Profit on sale of fixed assets		-
(Increase)/decrease in trade receivables and stock	12,810	(61,443)
(Decrease)/increase in other liabilities (including employee provisions)	(80,265)	146,258
Net cash provided by/(used in) operating activities	<u>573,514</u>	<u>1,706,441</u>

ASSISTANCE DOGS AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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	2016	2015
	\$	\$
6 Property, plant and equipment		
(a) Freehold property		
Land and buildings (at cost)	2,352,246	2,208,967
(b) Other property, plant and equipment		
Leasehold property (at cost)	31,701	31,701
Leasehold improvements (at cost)	200,031	200,031
Accumulated amortisation	(157,948)	(108,085)
Motor vehicles (at cost)	68,157	56,980
Accumulated depreciation	(37,646)	(28,995)
Software and website costs	126,729	97,557
Accumulated amortisation	(14,379)	(10,070)
Office furniture and equipment	62,183	142,332
Accumulated depreciation	(17,668)	(113,918)
	<u>261,160</u>	<u>267,533</u>
Total property, plant and equipment	<u>2,613,406</u>	<u>2,476,500</u>

7 Commitments

Property leases

The company has entered into three property leases:

- (i) 1000 Princes Highway Heathcote, which has an end date of 30 June 2029 (renewable at the option of the company);
- (ii) 996 Old Princes Highway, Engadine, which has an end date of 5 March 2017 (renewable at the option of the company); and
- (iii) 52 Waterloo Street, Surry Hills, which has an end date of 31 October 2017;

The first lease is with the Government of New South Wales and has been granted on the basis of a "peppercorn" rental amount.

The second and third leases are with unrelated parties and the amounts due over the remaining lease periods are due as follows:

	2016	2015
	\$	\$
Over the first year but no later than 30 June 2016	-	100,502
Over the first year but no later than 30 June 2017	87,933	87,933
Over the second year but no later 30 June 2018	14,996	14,996
Over the third year but no later than 30 June 2019	-	-

ASSISTANCE DOGS AUSTRALIA LIMITED

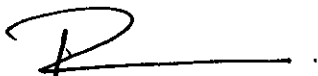
In the opinion of the Directors of Assistance Dogs Australia Limited, the Company is not a reporting entity:

- (a) the financial statements and notes set out on pages 4 to 12, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2016 and of the Company's performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012 to the extent described in Note 1 (b); 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.

Further, in respect of the provisions of the Charitable Fundraising Act 1991:

- (i) the Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (iii) the provisions of the Charitable Fundraising Act 1991 and the Regulations under that Act and the conditions attached to the fundraising authority have been complied with by the Company; and
- (iv) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

Signed in accordance with a resolution of the Directors



ROWAN PHILIP McDONALD
Director

Dated at Sydney
18th October 2016

**Paul Reid CA
18 Henley Street
Drummoyne NSW 2047**

Independent audit report to the members of Assistance Dogs Australia Limited

Report on the financial report

I have audited the accompanying financial report (being a special purpose financial report) of Assistance Dogs Australia Limited (the Company) for the financial year ended 30 June 2016, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended and notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration.

Directors' responsibility for the financial report

The directors are responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1 to the financial statements, is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012, the NSW Charitable Fundraising Act 1991 and the Regulations under that Act and is appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining such internal controls as the directors determine necessary to enable preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly, in accordance with the basis of accounting described in Note 1 to the financial statements, so as to present a view which is consistent with my understanding of the company's financial position, and of its performance and cash flows.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for qualified auditor's opinion

As is common for organisations of this type, it is not practicable for the company to fully establish internal controls over the collection of income from various revenue raising activities prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to these revenue streams had to be restricted to the amounts recorded in the financial records and information provided by the company's management. I therefore am unable to express an opinion whether the unsolicited revenue obtained is complete.

Qualified Audit opinion

In my opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Assistance Dogs Australia Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, of the Australian Charities and Not-for-profits Commission Act 2012.

Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

In addition, my audit report has also been prepared for the members of the company in accordance with the Charitable Fundraising (NSW) Act 1991.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

The audit opinion in this report pursuant to the Charitable Fundraising (NSW) Act 1991 has been formed on the above basis.

Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

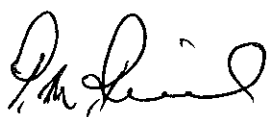
In my opinion, except for the effects of the matter referred to in the qualification paragraph above:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2016;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and

- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Directors to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.



P M Reid CA

Sydney
18th October 2016