



Annual Report

2015 - 2016



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Our mission:

To work with the community in promoting the welfare of dogs and cats by reducing the number of lost cats and dogs, alleviating their pain and suffering and enhancing the responsible ownership and enjoyment of pets.

Our values:

Make a difference for lost and suffering dogs and cats

Commitment to the cause

Personal and professional service

Ethics and integrity

Serve the community

Expert care

A safe place

For over a century, The Lost Dogs' Home has stood firm on its commitment to never close its doors on any lost, abandoned or stray animal. We believe every cat or dog who comes into our care, comes with its own unique story and is as deserving to be loved and cared for as the next.

Chair's Report



The Home's statistics show a pleasing increase in rehoming rates for both cats and dogs. Reclaim rates have also increased or remained steady across our shelters, while euthanasia rates for both cats and dogs have also reduced. These results are testament to the proactive and humane efforts by our staff to save the lives of the animals in our care.

Just a few weeks ago, I stood among the crowd, gathered for an auction of a house in Bulleen. The property, which belonged to the late Mr Wayne Galbraith, realised over one million dollars and was his enduring legacy to The Lost Dogs' Home.

As I reflect on the selfless gift of people like Wayne Galbraith, I am reminded of our obligation to the generosity of all our benefactors who ensure that the core values of the Home are realised. We know our donors are passionate about the safety and well-being of the dogs and cats for whom the Home is a safe haven and they must be assured that this wonderful organisation is doing the most good with the generous financial support it receives. We respect the gift of giving.

Each day the staff of The Lost Dogs' Home rehabilitate and rehome the dogs and cats who come in their thousands to find respite, healing and comfort, meeting the challenges inherent in caring for lost, sick or abandoned animals with kindness, compassion and skill. We know it is often difficult work but these are people with a vocation; people who commit themselves to accomplish the best possible outcomes for the animals of the Home and we thank them all.

The year to 30 June 2016 was challenging for the Home. Unforeseen escalating costs in salary and shelter expenses and a small increase in donations led to a deficit of approximately \$1.2 million. Fortunately the Home received an impressive amount of bequest revenue totalling well over \$4 million.

I believe that the Home is now taking the right actions to strengthen its financial position and deliver on its strategic pillars which are:

- To enhance the welfare of lost and unwanted dogs and cats
- To be a leading advocate of animal welfare
- To create more effective community and partnership experiences
- To ensure an effective culture and people based organisation
- To improve operational sustainability

In October, we welcomed our new Chief Executive Officer, Mr Andrew Israel who has taken up his position with great zeal and enthusiasm. With extensive experience in senior management, Mr Israel has a genuine devotion to animal welfare; his most recent assignment being with the Australian Wildlife Health Centre at Healesville Sanctuary. Mr Israel has an impressive career as a Director and Chief Executive Officer in various companies, the success of which demonstrates his ability to achieve financial sustainability, effective operational management and strategy delivery, essential attributes of the achievement of the Home's vision and values.

We have farewelled Ms Kerry Thompson, who was appointed to the Home as CEO in August last year and I know that the Board, the staff and our supporters thank Ms Thompson for her important contribution to the Home during the past year. Her key initiatives particularly with local government were complemented by her particular advocacy of responsible pet

ownership in the community as evidenced by the success of MADI. We record our gratitude and best wishes for the future.

It is also fitting that we acknowledge two senior staff members, Ms Kate Hoelter, General Manager, Fundraising and Communications and Dr Alan Bolton, General Manager, Veterinary Services who resigned from the staff after 21 years and 12 years respectively. Both have served the Home with great dedication and we thank them for their fine contribution.

During the course of the year, a number of initiatives which directly effected animal welfare have been consolidated and some new directions implemented. These include:

- The Behaviour Program which provides expert knowledge and practice for individual animals, oversees the approach to the care of all cats and dogs in the shelter and develops behaviour strategies to assist poorly socialised animals to become valued companions in new homes.
- The Microchipping, Adoption, Desexing and Information van (MADI) has completed 10 events since January and desexed a total of 500 cats to this day, as well as finding new homes for a number of animals.
- Regular cost reductions or fee-waived adoption campaigns for cats and kittens. These programs have been effective in obtaining new homes for felines who find their way into our care. In a similar way, the 'Golden Oldies' Program for mature dogs over seven years of age waives the adoption fee and suggests a donation of choice be made for a dog in this category. It should be noted that our newly renovated adoption centre provides a more welcoming place for our staff to meet with the future owners of a new companion.

Compared to the previous year, the Home's statistics show a pleasing increase in rehoming rates for both cats and dogs. Reclaim rates have also increased or remained steady across our shelters, while euthanasia rates for both cats and dogs have also reduced. These results are testament to the proactive and humane efforts by our staff to save the lives of the animals in our care.

An increasingly long list of rescue groups with whom we have warm and effective relationships has continued to grow. These groups provided an invaluable resource for the Home and during the past year have taken 374 dogs and 480 cats and kittens. Two-hundred and twenty-five felines were also placed in our Foster to Rescue Program. Our admiration is boundless for the selfless and effective work they do.

I sincerely thank my fellow Board members for their tireless commitment to the principles and ideals of the Home and for their perseverance and support.

We have welcomed, Dr Dylan Barber, Mr Robert Donato and Mr Kent Griffin, all of whom have already demonstrated their dedication to Home's mission and continue to offer both their wisdom and expertise in veterinary and legal skills, strategy and marketing and finance and risk respectively.

Mr Terry Makings AM accepted the task of Acting CEO for five weeks until the appointment of Mr Andrew Israel and we express our appreciation for his willingness to commit to this demanding task with diligence and grace.

I also acknowledge the service of Ms Sue Driscoll and Ms Alison Lyon who resigned from the Board during the course of the year. Their contribution to the Home has been appreciated and we record our thanks with gratitude.

Our supporters and volunteers are a continuing source of inspiration and valuable assistance and their selfless commitment makes a world of difference to the work of the Home.

Special thanks to our generous patrons, Mr Daryl Somers OAM, Mrs Julie Somers OAM and Mr Marty Fields and heartfelt gratitude to Mr Mike Larkan, our wonderful ambassador who champions the Home with his regular presentation of 'Give a Dog a Home' on Network Ten.

This coming year will see the implementation of significant and exciting planning for animal welfare programs including leading edge accommodation and stronger connections with rescue groups, achieving financial sustainability and continuing to reach out to the community. By progressing these strategic initiatives we will establish a new level of sanctuary for companion animals at risk.

We have full confidence that with Andrew Israel's leadership the Home will continue to provide ongoing excellence in animal welfare and shelter services. We believe we have a clear direction and are well positioned for the future.

My thanks and best wishes to you all.

Mrs Prue Gillies AM
Chair of the Board

Shelter Services

Our donors are partners in our work, we share the same vision to give lost and abandoned animals quality care, veterinary treatment and the right to a loving home and it is through their generosity that we are able to provide our life-saving services.

22,244 animals in our care



90% of all dogs were reunited with their owners, adopted into new homes or transferred to a rescue organisation (9,862). A 2.6% increase on the previous year.



39% of all cats were reunited with their owners, adopted into new homes or transferred to a rescue organisation (4,452). A 2% increase on the previous year.

ADMISSIONS TO THE LOST DOGS' HOME SHELTERS 2014/15 TO 2015/16

	Campaspe 14/15		Campaspe 15/16		North Melbourne/ Cranbourne 14/15		North Melbourne/ Cranbourne 15/16	
Dogs Admitted	780	%	662	%	11865	%	10286	%
Reclaimed	378	53.0	320	48.3	8543	71.8	7419	72.1
Rehomed	197	28	240	36.2	1826	15.3	1883	18.3
Euthanised	136	19.1	97	14.6	1400	11.7	913	8.8
Other	1	0.1	0	0	127	1.07	138	1.3

	716	%	611	%	11420	%	10685	%
Cats Admitted								
Reclaimed	38	5.8	41	6.7	1067	9.4	988	9.2
Rehomed	264	40.2	289	47.3	2445	21.6	3134	29.3
Euthanised*	343	52.2	274	44.8	7238	63.8	6015	56.2
Other	11	1.7	3	0.5	578	5.1	517	4.8

Statistical table footnotes:

Incoming animals totals may appear less or greater than outgoing totals due to animals already in our care at the cusps of the financial year.

*A significant proportion of felines were considered wild and unhandleable and therefore unadoptable on arrival and were euthanised under the Code of Practice for Pounds and Shelters on humane grounds.

7% more cats found new homes

Incoming felines continue to be animal welfare's greatest present day challenge. The Home tests and trials new pathways for felines and continues to strengthen our well-grounded programs of rescue, fee-waived adoptions and low-cost, high-volume desexing in areas that need it most.

With 4,452 of all cats that came into the Home reclaimed, rehomed or sent to a rescue group, we saw the overall rehoming rate increase by seven per cent and the rate of euthanised cats decrease by 7.4 per cent. The distinct advancement in positive cat outcomes are made possible by our tireless staff, our community and the generosity of our donors.

Our fee-waived and half-priced adoptions for desexed, vaccinated and vet-checked cats saw 689 more felines into new homes through specific campaigns.

Four-hundred and eighty cats were transferred to a rescue partner while 225 cats and kittens progressed through our Foster to Rescue program. And with approximately 4,000 cats assessed as wild and unhandleable or aggressive, our most profound responsibility is to forever ensure that the animals in our care do not suffer.

3% more dogs found new homes

Our pathways for canines intensified within our Behaviour Program where more trainers came on board to rehabilitate anxious stray dogs before their adoption day. One hundred and fifty-eight dogs went through the program and onto finding a new home.

The Rescue Program, specially formed for dogs needing time and space away from the shelter environment before their adoption, strengthened with 374 dogs transferred. These additional pathways together with the fine-tuning of a more integrated customer-oriented approach by our adoptions program led to this increase in the successful rehoming of dogs.

As a result, last year's euthanasia rate of 11.7 per cent for dogs fell to 8.8 per cent in 2015/16.

72% of all dogs reunited with their owners

Of the 10,286 dogs who came into our North Melbourne and Cranbourne shelters, 7,419 were reunited with their owners. The Home's purpose remains to keep pets and owners together, so when a pet does go missing, no effort is spared to get them back where they belong.

Campaspe's achievements

Our Campaspe shelter saw an eight per cent increase in rehoming dogs and a seven per cent increase in cat rehoming due to an extraordinary push with fee-waived campaigns. We also saw a marked decline in both dog and cat euthanasia by 4.5 per cent and 7.4 per cent.

5,108 surgeries on stray cats and dogs

Our shelter medicine department and vet staff at Frank Samways Veterinary Clinic performed 5,108 surgeries on stray cats and dogs totalling to \$320,945. Cat and dog desexing were the most common surgeries as well as orthopaedic and cruciate surgeries, lump removals and routine dental cleans and x-rays. The clinic cared for an additional 1,646 pets through their surgery.

Over 500 cats desexed on the road

Teaming up with councils throughout Melbourne, our travelling Winnebago MADI has desexed over 500 cats within six months. We've understood that the cost of desexing has been prohibitive for many cat owners who love their cats no less.

Together with council subsidy we have offered low-cost desexing surgeries to the cat owners of Darebin, Hume, Casey, Wyndham and Campaspe.

With its continuation, we envisage that fewer homeless and unwanted cats will be born who inevitably end up in shelters throughout Victoria; because we believe that a cat should never be born homeless.

Length of stay for dogs reduced by 8 days

The Home's adoption experience underwent a review after we studied the behaviours and wants of potential adopters. Our overarching aim remains to match the right pet to their new owner ensuring the process is easy and enjoyable.

Renovating the adoptions centre, reviewing the adoptions process and redeveloping the first point of contact – our website, has seen the length of stay for dogs reduced by eight days from 32 to 24 and cats from 30 to 20.

Our reviewed animal assessment procedures, which directs cats and dogs into various pathways, have also had an impact on the length of stay for cats and dogs prior to being rehomed.



Our Stories

SPECIAL CASE STUDY

Kelpie cross survives gunshot wound thanks to Shelter Medicine



Every day, vulnerable animals come to the Home in need of shelter and care. Tragically, some of them are the victims of unimaginable cruelty.

When Jack arrived at our North Melbourne shelter in June this year, we were shocked and saddened to see that he had a gunshot wound to the head.

The 10-month-old kelpie cross was in a bad way, and our shelter medicine team wasted no time tending to him.

X-rays showed that Jack's skull was littered with metal fragments. He also had trauma to his left eye and showed neurological signs. His prognosis didn't look good.

Our team was prepared for the worst. They were heartbroken by Jack's tragic start to life, but determined to do all they could to give him the best chance of a future.

Fortunately, Jack's condition began to improve. This was an incredible relief to the team that had worked tirelessly to save him.

As Jack's condition improved, so did his happiness. He showed a real zest for life, enjoying TLC from his carers at the Home, and playtime in the exercise yard with some new canine friends.

Even though he was feeling better, Jack wasn't out of the woods yet. Our friends at Southpaws kindly provided a free CT scan for Jack so we could take a closer look at the injuries to his head.

Five metal fragments were found in Jack's skull, but they were not a danger to his health or well-being. In fact, surgical removal of the fragments was not recommended.

With any foreign body, there is a small risk of infection in the future. However, specialist vets advised that in Jack's case, this was very unlikely. Monitoring for neurological signs will continue, but he is otherwise a healthy and happy dog.

Jack needed two surgeries to repair his cherry eye – a condition where the gland in the third eyelid prolapses and protrudes from the eye. He spent more than two months in foster care so he could rest and recover in a nurturing home environment.

Despite his horrific ordeal, Jack is a happy and loving dog. Thanks to the life-saving work of our shelter medicine team, and the dedication of our animal attendants and Jack's foster carer, he overcame the odds.

Our team was prepared for the worst. They were heartbroken by Jack's tragic start to life, but determined to do all they could to give him the best chance of a future.

SPECIAL CASE STUDY

The adventures of Burnley – Melbourne's luckiest kitten



Melbourne's luckiest kitten is thriving in his new home, after being rescued from a daring adventure that almost cost him his life

Three-month-old Burnley made headlines in June after his miraculous escape from the CityLink Burnley Tunnel.

The adventurous ginger kitten was noticed by motorists on 14 June 2016 in the 3.4km-long tunnel and they reported it to the CityLink control room. With three lanes and speed limits of up to 80km/h, the tunnel is a potentially deadly place for any animal, let alone a tiny kitten. Thankfully, our friends at CityLink rescued the elusive kitten just after midnight.

"Our maintenance crew managed to rescue the kitten safely and brought him back to our control room where we kept him warm and called The Lost Dogs' Home," said Andrew Eckersley, CityLink Road Operations Manager.

The kitten was very scared when he came into our care, which was not surprising, given his frightening ordeal.

Fortunately, he had not sustained any injuries and was in good health, but he was covered in mud and dirt.

After an initial wash and a vet check, our cattery team worked with him every day to help build his confidence. They thought it was only fitting that he was named Burnley.

"With lots of TLC, Burnley really started to come out of his shell – he loves a cuddle and purrs very loudly to let us know," said Dr David Cunliffe, General Manager, Animal Welfare at the Home.

Hayden and Amanda had been talking about getting a new cat, when their conversation was interrupted by the TV. A story featured on 7 News about the miracle kitten, who was ready to find a new home – it was fate.

They were among the 113 people who registered their interest in adopting Burnley, and the couple were thrilled when they received a call from the Home to let them know they'd been successful.

For Burnley, everything in life is a big adventure. Moving into a new home was no exception.

"Burnley immediately took over the home and made it his own," said Hayden.

"Being the little adventurer he is, obviously having made his way into the tunnel, he has continued this at home, exploring every nook and cranny, or open cupboard vigorously.

We love everything about this crazy kitty, but especially his very loving nature. He always wants to be wherever we are. Following us around the house, always wanting to play or sleep on us and constantly purring."

SPECIAL CASE STUDY

Howdy – Duke swaggers into The Astor



With his handsome features, black and white cat Duke has quickly claimed the hearts of the Astor Theatre staff and patrons as the theatre's new Astor cat following his adoption from The Lost Dogs' Home in June.

Following the lead of the much loved, tortoiseshell lady Marzipan, the previous Astor cat who sadly passed away in 2013 at the age of 21, it is clear that Duke has some big paw prints to fill.

Given his new address, Duke was given his name by Zak Hepburn, General Manager at the Astor who named him after silver screen legend John Wayne, whose nickname was Duke.

"When we picked him out, he was pretty relaxed and had such a nonchalant swagger that I immediately knew his name should be Duke.

"Since Palace took over the Astor there have been so many enquiries into whether we'd get another cat and while Marzipan is irreplaceable, we thought as this year marked a new chapter for the Astor, why not give Duke a new chapter in his life? And support a worthy cause like The Lost Dogs' Home," enthused Zak.

"The Astor's adoption of Duke shows that cats can be great pets for anyone and are perfectly suited to living in a range of different circumstances" said Dr Alan Bolton.

"Adopting a pet from a shelter like The Lost Dogs' Home is a rewarding experience, as you are giving an animal a second chance in a loving home. Adopters know first-hand the effect adoption has on changing an animal's life.

"It is great to see that Duke has gone on to find his new home at the Astor and it shows to all of us that cats are adaptable to a range of different living situations and can easily become pets for businesses and offices as well as with families," said Alan.

Duke is already taking in his new surroundings and is coming out to meet regulars of the Astor's grand corridors.

"While it will take some time for Duke to settle in properly, his is already welcoming anyone who comes in for a coffee to say hello.

"He has yet to be here for a full film session or double feature, but we've got a feeling he'll like Westerns," says Zak.

“Adopting a pet from a shelter like The Lost Dogs' Home is a rewarding experience, as you are giving an animal a second chance in a loving home.”

SPECIAL CASE STUDY

The power of working together



Finding loving new homes for the dogs and cats in our care is at the heart of our work at The Lost Dogs' Home. For many of these animals, this journey will require the helping hands of a number of people, and not only those here at the Home.

The Home has worked with animal rescue groups for many years to achieve the shared goal of giving animals a second chance. This year we have worked to expand and develop our Rescue Partnerships Program. This year the program has sent 874 cats and dogs and an additional 158 other animals to over 80 partners.

Through a collaborative approach, we work to provide specialised care to animals who need rehabilitation outside of the shelter environment to help prepare them for adoption.

We are continuing to work with rescue groups to grow and develop our partnerships and it is thanks to all our passion and dedication that we have been able to find over one thousand animals homes through our rescue partners.

A rescue coordinator was appointed to oversee the program and we formalised the application process for rescue groups who were interested in partnering with us.

"Animals may need to be placed with our rescue partners to come out of their shell, work on behaviour concerns, recover from medical procedures, or develop treatment plans for ongoing medical issues," said Kevin Newman, Rescue Coordinator at the Home.

"Transferring these animals to our rescue partners helps them find perfect new homes and allows us to utilise our space in the shelter more effectively."

Before being placed with a rescue partner, all dogs and cats are desexed, microchipped, vaccinated, wormed, flea treated, and health and behaviour assessed. Other preparations are sometimes needed, including x-rays, dental work or grooming. Animals that are placed in rescue for behaviour concerns are accompanied by a full behavioural history, assessment and training plan for their ongoing care, and we provide follow-up advice to rescue partners if needed.

For Serena, General Manager of Adoptions at Lort Smith Animal Hospital, establishing a rescue partnership with the Home has been a great opportunity for both organisations and has allowed her to help more animals find their forever homes. "Our rescue partnerships are incredibly valuable and we value the fantastic work these groups do."

"The Home contacts me twice a week with cats, bunnies and dogs, to see if we can help out in any way. They understand the types of animals we have and the need for our adoptions program and makes the effort to contact us straight away if there is an animal who might be suited to our clients.

"To be able to work with our neighbour has been a great opportunity and we look forward to continuing with this relationship in the future," said Serena.



Financial Report

2015 - 2016

The Lost Dogs' Home full financials are available on our website at www.dogshome.com or in hard copy by request via email at info@dogshome.com or alternatively call 03 9329 2755.

The financial statements are presented in the Australian currency. The Lost Dogs' Home is a company limited by guarantee that is incorporated and domiciled in Australia. The registered office and principal place of business is: The Lost Dogs' Home, 2 Gracie Street, North Melbourne VIC 3051. The Lost Dogs' Home is incorporated under the Corporations Law as a company limited by guarantee not having a share capital. The liability of each member is generally limited to \$20. The financial statements were authorised for issue by the directors on 25/10/2016. The directors have the power to amend and reissue the financial statements.

Directors' Report

Your Directors present their report together with the financial report of The Lost Dogs' Home ("the Home") for the financial year ended 30 June 2016.

Directors

The following persons were Directors of the Home during the whole of the financial year and up to the date of this report, being 25 October 2016 unless otherwise noted. The number of meetings attended reflects those in the financial year ending 30 June 2016.

Name	Position	Meetings held while Director	Meetings attended
Mrs P Gillies AM	Chair	13	13
Mr T Makings AM	Director	13	13
Ms L Glucina	Director	13	12
Ms L Doyle	Director	13	13
Mr M Coleborne**	Director	13	10

* On leave of absence from 8 September 2016 until 14 October 2016

** On leave of absence from 8 September 2016 until 28 February 2017

The following persons were Directors of the Home from the time of their appointment and up to the date of this report:

Name	Position	Meetings held while Director	Meetings attended	Date of appointment
Dr D Barber	Director	5	5	28 April 2016
Mr K Griffin	Director	3	2	10 May 2016
Mr R Donato	Director	3	3	10 May 2016

The following persons were Directors of the Home from the beginning of the financial year and up until the date of their resignation or departure from the Board:

Name	Position	Meetings held while Director	Meetings attended	Date of appointment
Ms S Driscoll	Director	4	3	1 December 2015
Ms A Lyon	Director	13	10	7 September 2016
Dr A Tribe	Director	3	1	29 September 2015

No Director has an interest in shares or contracts with the Home.

The Directors all have the necessary experience and knowledge to carry out their duties.

Short and long term objectives

The short and long term objectives of the Home are:

- To work with the community to promote the welfare of dogs and cats by reducing the number of lost cats and dogs, alleviating their pain and suffering and enhancing the responsible ownership and enjoyment of pets.
- To continue with growth and innovation that reflects our core business and aligns with our values, vision and mission.
- To continue developing and raising the profile of the Home's brand and align it closely to the core business, values, vision and mission.
- To establish and grow strong relationships with our donors and supporters to boost all fundraising activities for the Home.
- To promote existing programs and initiatives and develop wider strategic partnerships with educational institutes and other organisations with complementary causes.
- To develop strategic relationships with relevant government bodies both at a local and state government level.

Principal activities

The principal activities of the Home in the course of the financial year were devoted to the service of stray, sick, injured and abandoned dogs and cats.

Results of operations

The deficit of the Home for the financial year ended 30 June 2016 was (\$1,130,588) (2015: \$1,349,232 deficit).

Review of operations

Figures on the operations of the Home are as follows:

	2016 \$	2015 \$
Revenue from continuing operations	12,671,631	13,465,553
Operating activities expenses	(18,575,271)	(18,107,140)
Deficit from operating activities	(5,903,640)	(4,641,587)
Revenue from non-operating activities	4,773,052	3,292,355
Expenses from non-operating activities	-	-
Deficit for the year	(1,130,588)	(1,349,232)

Revenue from continuing operations for the year was less than the previous year because of the completion of a major contract in Brisbane in October 2014. Conversely there was an increase in other income, which relates to bequests. There were increases in salary expenses for the year associated with improved animal welfare outcomes from behavioural training and partnerships with rescue groups.

Significant changes in the state of affairs

There have been no significant changes in the state of the Home's affairs during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- the Home's operations in future financial years, or
- the results of those operations in future financial years, or
- the Home's state of affairs in future financial years.

Members' guarantee

In accordance with the Home's constitution, each member is liable to contribute up to \$20 in the event that the company is wound up. The amount to be contributed will not exceed \$8,780.

Environmental regulation and performance

The Home is not subject to any particular or significant environmental regulation.

Indemnification and insurance of directors

During or since the financial year, the Home has paid premiums of \$9,882 in respect of a contract insuring all of the Directors of the Home against costs incurred in defending proceedings for conduct involving wrongful acts by the Directors of the Home.

Indemnity of auditors

During or since the financial year, the Home has paid no premiums in respect of a contract insuring the auditors.

Non-audit services

During the year no fees were paid or payable for non-audit services provided by the auditor of the Home, its related practices and non-related firms.



Mrs Prue Gilles AM
Chair



Mr Kent Griffin
Director

Melbourne 25/10/2016

Auditor's Independence Declaration



The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.granthornton.com.au

Auditor's Independence Declaration To the Directors of The Lost Dogs' Home

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Lost Dogs' Home for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 25 October 2016

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Directors' Declaration

In the Directors' opinion:

- (a) The financial statements are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
- (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-For-Profits Commission Regulation 2013 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Mrs Prue Gilles AM

Mrs Prue Gilles AM
Chair

Mr Kent Griffin

Mr Kent Griffin
Director

Melbourne 25/10/2016

Statement of profit or loss

For the year ended 30 June 2016

	2016 \$	2015 \$
REVENUE		
Sale of goods and services	\$7,786,134	\$8,183,845
Dividends	\$351,709	\$479,867
Bank interest	\$40,883	\$68,538
Grants	\$14,407	\$73,547
Donations	\$4,478,498	\$4,659,756
Realised gain / loss on sale of financial assets	\$25,106	(\$59,316)
Profit on sale of fixed assets	\$17,011	\$22,185
Bequests	\$4,730,935	\$3,329,486
Total revenue	\$17,444,683	\$16,757,908
EXPENSES		
Veterinary clinic expenses	\$2,405,481	\$2,238,122
Fundraising expenses	\$1,802,759	\$1,823,650
Shelter and council contract expenses	\$8,552,281	\$10,371,968
Administration expenses	\$5,814,750	\$3,673,400
Total expenses	\$18,575,271	\$18,107,140
Changes in fair value of financial assets	-\$497,663	-\$29,622
Total income (deficit) for the year	-\$1,628,251	-\$1,378,854

Balance sheet

As at 30 June 2016

	2016 \$	2015 \$
ASSETS		
Current assets		
Cash and equivalents		
Petty cash and change	\$3,509	\$2,466
NAB bank accounts	\$310,864	\$1,350,845
Term deposits	\$1,800,000	\$1,600,000
ORD – Trust Management Account	\$235,974	\$143,057
Total cash and equivalents	\$2,350,348	\$3,096,367
Trade and other receivables	\$837,130	\$743,866
Stock on hand	\$180,812	\$180,947
Total current assets	\$3,368,290	\$4,021,180
Non-current assets		
Financial assets	\$3,967,834	\$4,360,258
Property, plant and equipment	\$14,542,590	\$15,025,566
Total non-current assets	\$18,510,424	\$19,385,824
Total assets	\$21,878,714	\$23,407,004
LIABILITIES		
Current liabilities		
Trade and other payables	\$685,556	\$761,004
Provisions	\$1,201,732	\$981,338
Total current liabilities	\$1,887,288	\$1,742,341
Non-current liabilities		
Provisions	\$149,133	\$194,118
Total non-current liabilities	\$149,133	\$194,118
Total liabilities	\$2,036,421	\$1,936,459
Net Assets	\$19,842,293	\$21,470,544
EQUITY		
Net profit	-\$1,130,588	-\$1,349,231
Retained earnings b/fwd*	\$21,243,525	\$22,592,757
Total retained earnings	\$20,112,937	\$21,243,525
Reserves	-\$270,644	\$227,019
Total equity	\$19,842,293	\$21,470,544

Independent auditor's report to the members of The Lost Dogs' Home



The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of The Lost Dogs' Home

We have audited the accompanying financial report of The Lost Dogs' Home (the "Home"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 of the Home.

Directors' responsibility for the financial report

The Directors of the Home are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes 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 us to 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.

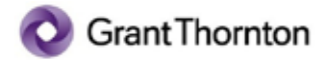
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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Independent auditor's report to the members of The Lost Dogs' Home (continued)



In making those risk assessments, the auditor considers internal control relevant to the Home'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 Home'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.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion the financial report of The Lost Dogs' Home is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i giving a true and fair view of the Home's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 25 October 2016





VICTORIA

The Lost Dogs' Home
2 Gracie Street
North Melbourne VIC 3051
T 03 9329 2755
F 03 9326 5293

Frank Samways Veterinary Clinic
1 Boundary Road
North Melbourne VIC 3051
T 03 9329 2755
F 03 9321 8793

South Eastern Pound Services
920 Thompsons Road
Cranbourne West VIC 3977
T 03 9702 8055
F 03 9702 8655

NATIONAL

National Pet Register
2 Gracie Street
North Melbourne VIC 3051
T 1300 734 738
F 1300 2 734 738





The Lost Dogs' Home
(A Company Limited by Guarantee)
ABN 84 004 789 726

ANNUAL FINANCIAL REPORT
- 30 JUNE 2016 -

DIRECTORS' REPORT

Your Directors present their report together with the financial report of The Lost Dogs' Home ("the Home") for the financial year ended 30 June 2016.

DIRECTORS

The following persons were Directors of the Home during the whole of the financial year and up to the date of this report, being 25 October 2016 unless otherwise noted. The number of meetings attended reflects those in the financial year ending 30 June 2016.

NAME	POSITION	MEETINGS HELD WHILE DIRECTOR	MEETINGS ATTENDED
Mrs P Gillies AM	Chair	13	13
Mr T Makings AM*	Director	13	13
Ms L Glucina	Director	13	12
Ms L Doyle	Director	13	13
Mr M Coleborne**	Director	13	10

* On leave of absence from 8 September 2016 until 14 October 2016

** On leave of absence from 8 September 2016 until 28 February 2017

The following persons were Directors of the Home from the time of their appointment and up to the date of this report:

NAME	POSITION	MEETINGS HELD WHILE DIRECTOR	MEETINGS ATTENDED	DATE OF APPOINTMENT
Dr D Barber	Director	5	5	28 April 2016
Mr K Griffin	Director	3	2	10 May 2016
Mr R Donato	Director	3	3	10 May 2016

The following persons were Directors of the Home from the beginning of the financial year and up until the date of their resignation or departure from the Board

NAME	POSITION	MEETINGS HELD WHILE DIRECTOR	MEETINGS ATTENDED	DATE OF RESIGNATION
Ms S Driscoll	Director	4	3	1 December 2015
Ms A Lyon	Director	13	10	7 September 2016
Dr A Tribe	Director	3	1	29 September 2015

No Director has an interest in shares or contracts with the Home.

The Directors all have the necessary experience and knowledge to carry out their duties.

SHORT AND LONG TERM OBJECTIVES

The short and long term objectives of the Home are:

- > To work with the community to promote the welfare of dogs and cats by reducing the number of lost cats and dogs, alleviating their pain and suffering and enhancing the responsible ownership and enjoyment of pets.
- > To continue with growth and innovation that reflects our core business and aligns with our values, vision and mission.
- > To continue developing and raising the profile of the Home's brand and align it closely to the core business, values, vision and mission.
- > To establish and grow strong relationships with our donors and supporters to boost all fundraising activities for the Home.
- > To promote existing programs and initiatives and develop wider strategic partnerships with educational institutes and other organisations with complementary causes.
- > To develop strategic relationships with relevant government bodies both at a local and state government level.

Principal activities

The principal activities of the Home in the course of the financial year were devoted to the service of stray, sick, injured and abandoned dogs and cats.

Results of operations

The deficit of the Home for the financial year ended 30 June 2016 was (\$1,130,588) (2015: \$1,349,232 deficit)

Review of operations

Figures on the operations of the Home are as follows:

	2016	2015
	\$	\$
Revenue from continuing operations	12,671,631	13,465,553
Operating activities expenses	(18,575,271)	(18,107,140)
Deficit from operating activities	(5,903,640)	(4,641,587)
Revenue from non-operating activities	4,773,052	3,292,355
Expenses from non-operating activities	-	-
Deficit for the year	(1,130,588)	(1,349,232)

Revenue from continuing operations for the year was less than the previous year because of the completion of a major contract in Brisbane in October 2014. Conversely there was an increase in other income, which relates to bequests. There were increases in salary expenses for the year associated with improved animal welfare outcomes from behavioural training and partnerships with rescue groups.

Significant Changes in the State of Affairs

There have been no significant changes in the state of the Home's affairs during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- a) the Home's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Home's state of affairs in future financial years.

Members' guarantee

In accordance with the Home's constitution, each member is liable to contribute up to \$20 in the event that the company is wound up. The amount to be contributed will not exceed \$8,780.

Environmental Regulation and Performance

The Home is not subject to any particular or significant environmental regulation.

Indemnification and Insurance of Directors

During or since the financial year, the Home has paid premiums of \$9,882 in respect of a contract insuring all of the Directors of the Home against costs incurred in defending proceedings for conduct involving wrongful acts by the Directors of the Home.

Indemnity of Auditors

During or since the financial year, the Home has paid no premiums in respect of a contract insuring the auditors.

Non-audit services

During the year no fees were paid or payable for non-audit services provided by the auditor of the Home, its related practices and non-related firms.



Mrs Prue Gilles AM
Chair



Mr Kent Griffin
Director

Melbourne
25/10/2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Directors of The Lost Dogs' Home

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Lost Dogs' Home for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Eric Passaris
Partner - Audit & Assurance

Melbourne, 25 October 2016

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The financial statements are presented in the Australian currency.

The Lost Dogs' Home is a company limited by guarantee that is incorporated and domiciled in Australia.

The registered office and principal place of business is:

The Lost Dogs' Home
2 Gracie Street
North Melbourne Vic 3051

The Lost Dogs' Home is incorporated under the Corporations Law as a company limited by guarantee not having a share capital. The liability of each member is generally limited to \$20.

The financial statements were authorised for issue by the Directors on 25/10/2016. The Directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

		2016	2015
	Notes	\$	\$
Revenue from continuing operations	3	12,671,631	13,465,553
Other Income	4	4,773,052	3,292,355
Veterinary clinic expenses		(2,405,481)	(2,238,122)
Fundraising expenses		(1,802,759)	(1,823,650)
Shelter and Council contract expenses		(8,552,281)	(10,371,968)
Administration expenses		(5,814,750)	(3,673,400)
Deficit for the year		(1,130,588)	(1,349,232)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Changes in fair value of financial assets held at fair value through OCI	14(a)	(497,663)	(29,622)
Total comprehensive income for the year		(1,628,251)	(1,378,854)

The above statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

<i>Balance Sheet</i>	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash & cash equivalents	6	2,350,348	3,096,367
Trade & other receivables	7	837,130	743,866
Inventories	8	180,812	180,947
Total current assets		<u>3,368,290</u>	<u>4,021,180</u>
Non-current assets			
Financial assets	9	3,967,834	4,360,258
Property, plant and equipment	10	14,542,590	15,025,566
Total non-current assets		<u>18,510,424</u>	<u>19,385,824</u>
Total assets		<u>21,878,714</u>	<u>23,407,004</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	685,556	761,004
Provisions	12	1,201,732	981,338
Total current liabilities		<u>1,887,288</u>	<u>1,742,342</u>
Non-current liabilities			
Provisions	13	149,133	194,118
Total non-current liabilities		<u>149,133</u>	<u>194,118</u>
Total liabilities		<u>2,036,421</u>	<u>1,936,460</u>
Net Assets		<u>19,842,293</u>	<u>21,470,544</u>
EQUITY			
Reserves	14 (a)	(270,644)	227,019
Retained earnings	14 (b)	20,112,937	21,243,525
Total Equity		<u>19,842,293</u>	<u>21,470,544</u>

The above balance sheet should be read in conjunction with the accompanying notes.

<i>Statement in changes of equity</i>	Contributed equity	Reserves	Retained earnings	Total equity
	\$	\$	\$	\$
Balance as at 1 July 2014	-	256,641	22,766,863	23,023,504
Total comprehensive income for the year	-	(203,728)	(1,349,232)	(1,552,960)
Adjustment in respect of financial assets		174,106	(174,106)	-
Balance as at 30 June 2015	-	227,019	21,243,525	21,470,544
Total comprehensive income for the year	-	(497,663)	(1,130,588)	(1,628,251)
Balance as at 30 June 2016	-	(270,644)	20,112,937	19,842,293

The above statements of changes in equity should be read in conjunction with the accompanying notes.

<i>Statement of cash flows</i>	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		8,553,808	9,365,924
Payments to suppliers and employees (inclusive of GST)		(18,659,153)	(17,903,981)
Fundraising proceeds		4,492,905	4,733,303
Cash legacies received		4,730,935	3,329,486
Interest received		3,590	68,538
Net cash outflows from operating activities		(877,915)	(406,730)
Cash flows from investing activities			
Payments for property, plant and equipment		(190,706)	(95,810)
Proceeds from sale of property, plant and equipment		51,026	26,557
Payments for financial assets held at fair value through OCI		(355,789)	(465,815)
Proceeds from sale of financial assets held at fair value through OCI		275,656	1,373,632
Dividends received		351,709	479,867
Net cash inflows from investing activities		131,896	1,318,431
Cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(746,019)	911,701
Cash and cash equivalents at the beginning of the year		3,096,367	2,184,666
Cash and cash equivalents at the end of the year	6	2,350,348	3,096,367

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

CONTENTS of the notes to the financial statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Home which is a not-for-profit organisation.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not for profit Commission Act 2012*.

New and amended standards adopted by the Home

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period and is likely to affect future periods.

Early adoption of standards

The Home has elected to apply AASB 9 Financial Instruments as issued in December 2014, because the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows. In accordance with the transitional provisions in AASB 9(7.2.15), comparative figures have not been restated with the exception of certain aspects of hedge accounting. See note 1(g) for further details on the impact of the change in accounting policy.

No other accounting standards have been adopted early by the Home.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through OCI.

Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Home has reported an operating deficit for the year of \$1,130,588 (2015: \$1,349,232) and has net cash outflows from operating activities of \$877,915 (2015: \$406,730).

At the date of this report and having considered the operating deficit, the directors are confident that the Home will be able to continue as a going concern due to the following factors:

- The Home has a strong asset base with a current asset surplus of \$1,481,002 at 30 June 2016 and financial assets that are readily convertible to cash of \$3,967,834.

Summary of significant accounting policies (continued)

- Cash flow projections prepared by the Home demonstrate that the business will generate sufficient cash over the coming year to meet obligations as and when they fall due.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Home's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

- > Charitable income, including donations and bequests are brought to account on a cash basis. Shares in the form of bequest are brought to account when transferred to the portfolio.
- > Vet and council fees and National Pet Register income is brought to account when the service is rendered.
- > Shelter income is brought to account at point of sale.
- > Interest income is recognised on a time proportion basis using the effective interest method.
- > Dividends are recognised as revenue when the right to receive payment is established.

(c) Operating Leases

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line-basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Summary of significant accounting policies (continued)

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. Trade receivables are generally due for settlement within 30 days.

(f) Inventories

Inventories include microchips on hand and veterinary supplies and are stated at the lower of cost and net realisable value.

(g) Investments and Other Financial Assets

As explained in above, the company has adopted AASB 9 as issued in December 2014, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The date of transition is 1 July 2015. In accordance with the transitional provisions in AASB 9(7.2.15), comparative figures have not been restated with the exception of certain aspects of hedge accounting.

The accounting policies were changed to comply with AASB 9 as issued by the AASB in December 2014. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

The Home elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are not held for trading. As a result, assets with a fair value of \$4,360,258 were reclassified from available-for-sale financial assets to financial assets through OCI and fair value gains of \$227,019 were reclassified from available-for-sale assets reserve to the financial assets at fair value through OCI reserve on 1 July 2015. The net deficit is lower by \$471,884 for the year ended 30 June 2016 due to there not being any requirement to recognise impairment losses through profit or loss.

Accounting policies from 1 July 2015

Classification

From 1 January 2015, the company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

Summary of significant accounting policies (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent Measurement

(i) Financial assets at amortised cost

Trade receivables, loans and other financial assets that have fixed or determinable payments that are not quoted in an active market are classified as "financial assets at amortised cost". These assets are measured at amortised costs using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

(ii) Financial assets measured at fair value through other comprehensive income

The company made an irrevocable election at initial recognition for particular investments in equity instruments which would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. Gains or losses, whether realised or unrealised, are recognised as other comprehensive income. Dividends on these financial assets are recognised as interest and investments income in profit or loss.

When these financial assets are derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into retained earnings.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Summary of significant accounting policies (continued)

Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The company has applied AASB 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

Accounting policies prior to 1 July 2015

Classification

The Home classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 7) in the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Home commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair

Summary of significant accounting policies (continued)

value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Home has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in profit or loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in profit or loss as part of revenue from continuing operations when the Home's right to receive payments is established. Changes in the fair value of investments classified as available-for-sale are recognised in equity.

Impairment

The Home assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(h) Legacies and donations

As a not-for-profit organisation the Home receives donations and legacies. These amounts are brought to account as income only when received. In all other respects, the financial statements are prepared using the accrual basis of accounting.

Summary of significant accounting policies (continued)

(i) Property, plant and equipment

Cost and Valuation

All classes of property, plant and equipment (freehold land, buildings and plant and equipment) are measured at cost.

Depreciation

All property, plant and equipment, other than freehold land is depreciated over its estimated useful life commencing from the time the asset is held ready for use.

Depreciation is provided on a straight-line or diminishing value basis.

Major depreciation rates are:

	2016	2015
	%	%
Buildings (straight line):	2.5	2.5
Furniture, fixtures and fittings and equipment (straight line):	20	20
Motor vehicles (straight line):	20	20
ITC equipment: (straight line):	33.33	33.33
Speciality vet equipment (straight line):	33.33	33.33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. Where the future economic benefits of the Home's property, plant and equipment is not primarily dependent on their ability to generate net cash inflows, and the Home would replace the remaining future economic benefit of the asset if deprived of those assets, the recoverable amount is based on value in use, being the depreciated replacement cost of the asset.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Home. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Summary of significant accounting policies (continued)

Employee benefit expenses and revenues arising in respect of the following categories:

- > wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- > other types of employee benefits

are recognised against profits on a net basis in their respective categories.

(i) Wages and salaries, annual leave & sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits not expected to be settled within 12 months of the reporting date have been measured at the present value of the estimated future cash outflows of those benefits.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date for high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Food donations

Food donated to the Home is not brought to account.

(m) Income Taxes

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

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

3. REVENUE

	Notes	2016 \$	2015 \$
From continuing operations			
Sales revenue			
Sale of goods		1,186,290	1,326,803
Services		6,599,844	6,857,042
		<u>7,786,134</u>	<u>8,183,845</u>
Other revenue			
Dividends		351,709	479,867
Bank interest		40,883	68,538
Grants		14,407	73,547
Donations		4,478,498	4,659,756
		<u>4,885,497</u>	<u>5,281,708</u>
Total Revenue		<u>12,671,631</u>	<u>13,465,553</u>

4. OTHER INCOME

	Notes	2016 \$	2015 \$
Realised gains/(losses) on sale of financial assets held at fair value through OCI		25,106	(59,316)
Profit on sale of fixed assets		17,011	22,185
Legacies		4,730,935	3,329,486
		<u>4,773,052</u>	<u>3,292,355</u>

5. EXPENSES

	Notes	2016	2015
		\$	\$
Depreciation of non-current assets	10	639,667	592,522
Impairment of non-current assets		-	375,283
Rental expense relating to operating leases		33,504	32,501
Employee benefits expenses including superannuation		11,522,850	11,230,272
		<hr/>	<hr/>
The Home employed 251 employees at 30-Jun-2016 (2015: 261 employees).			

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Notes	2016	2015
		\$	\$
Cash at bank and in hand		550,348	1,496,367
Deposits at call		1,800,000	1,600,000
		<hr/>	<hr/>
		2,350,348	3,096,367

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Notes	2016	2015
		\$	\$
Balances as above		2,350,348	3,096,367
Bank overdrafts		-	-
		<hr/>	<hr/>
		2,350,348	3,096,367

7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Notes	2016	2015
		\$	\$
Trade and other receivables		799,837	743,866
Interest accrued		37,293	-
		<hr/>	<hr/>
		837,130	743,866

8. CURRENT ASSETS – INVENTORIES

	Notes	2016	2015
		\$	\$
Stock on Hand – Veterinary stock at cost		180,812	180,947
		<u>180,812</u>	<u>180,947</u>

9. NON-CURRENT ASSETS – FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI

Financial assets held at fair value through OCI include the following classes of financial assets:

	Notes	2016	2015
		\$	\$
Listed securities			
Shares in public companies		2,584,983	3,198,196
Units in investment trusts		1,382,851	1,162,062
		<u>3,967,834</u>	<u>4,360,258</u>

The above listed securities are financial instruments that are traded in an active market and are held at their fair value. This value is based on quoted market prices at the end of the financial year. The quoted market price used for financial assets held by the Home is the current bid price.

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Freehold Buildings	Furniture and Fittings	Plant and Equipment	Vehicles	Office and Computer	Specialty Vet Equipment	WIP	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 30 June 2015								
Cost for fair value	18,200,032	401,168	642,310	1,485,591	542,982	196,234	33,560	21,501,877
Accumulated depreciation	(3,663,214)	(210,481)	(642,310)	(1,361,459)	(509,816)	(89,031)	-	(6,476,311)
Net book amount	<u>14,536,818</u>	<u>190,687</u>	<u>-</u>	<u>124,132</u>	<u>33,166</u>	<u>107,203</u>	<u>33,560</u>	<u>15,025,566</u>
Year ended								
30 June 2016								
Opening net book amount	14,536,818	190,687	-	124,132	33,166	107,203	33,560	15,025,566
Additions	-	106,952	-	-	12,366	71,388	-	190,706
Transfers	-	-	-	-	-	31,760	(31,760)	-
Net Disposals	-	-	-	(34,015)	-	-	-	(34,015)
Depreciation charge	(358,256)	(80,627)	-	(80,877)	(28,341)	(91,566)	-	(639,667)
Closing net book amount	<u>14,178,562</u>	<u>217,012</u>	<u>-</u>	<u>9,240</u>	<u>17,191</u>	<u>118,785</u>	<u>1,800</u>	<u>14,542,590</u>
At 30 June 2016								
Cost or fair value	18,200,032	508,120	642,310	1,451,576	555,348	299,382	33,560	21,690,328
Accumulated depreciation	(4,021,470)	(291,108)	(642,310)	(1,442,336)	(538,157)	(180,597)	(31,760)	(7,147,738)
Net book amount	<u>14,178,562</u>	<u>217,012</u>	<u>-</u>	<u>9,240</u>	<u>17,191</u>	<u>118,785</u>	<u>1,800</u>	<u>14,542,590</u>

11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Notes	2016	2015
		\$	\$
Trade creditors		389,507	151,712
Accruals		296,049	609,292
		<u>685,556</u>	<u>761,004</u>

12. CURRENT LIABILITIES – PROVISIONS

	Notes	2016	2015
		\$	\$
Employee entitlements			
Provision for annual leave		709,375	601,726
Provision for long service leave		492,357	379,612
		<u>1,201,732</u>	<u>981,338</u>

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

13. NON-CURRENT LIABILITIES – PROVISIONS

	Notes	2016	2015
		\$	\$
Employee entitlements			
Provision for long service leave		149,133	194,118
		<u>149,133</u>	<u>194,118</u>

14. RESERVES AND RETAINED EARNINGS

	2016	2015
	\$	\$
(a) Reserves		
Financial assets held at fair value through OCI reserve	(270,644)	227,019
Movements:		
Balance 1 July 2015	227,019	256,641
Revaluation – gross	(497,663)	(203,728)
Adjustment in respect of financial assets	-	174,106
Balance 30 June 2016	<u>(270,644)</u>	<u>227,019</u>

(b) Retained earnings

Movement in retained earnings were as follows:

Balance 1 July 2015	21,243,525	22,766,863
Adjustment in respect of financial assets	-	(174,106)
Net deficit for the year	<u>(1,130,588)</u>	<u>(1,349,232)</u>
Balance 30 June 2016	<u>20,112,937</u>	<u>21,243,525</u>

(c) Nature and purpose of reserves

(i) Financial assets held at fair value through OCI reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities classified as financial assets held at fair value through OCI, are recognised in other comprehensive income, as described in note 1(g) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold.

15. RELATED PARTY TRANSACTIONS

Key management personnel

	2016	2015
	\$	\$
Key management personnel compensation:		
Short-term employee benefits	430,995	781,476
Post-employment benefits	41,264	49,057
	<u>472,259</u>	<u>830,533</u>

During the financial year there were no additional related party transactions (2015 - \$Nil) paid in the ordinary course of business.

16. COMMITMENTS

	2016	2015
	\$	\$
Lease commitments		
<i>(i) Operating lease</i>		
Commitments for minimum lease payments in relation to operating leases are payable as follows:		
Within one year	22,549	24,804
Later than one year but not later than five years	16,912	49,608
Later than five years	-	-
	39,461	74,412

17. FINANCE FACILITIES

The Home has a bank guarantee facility of \$200,000. Of this facility \$3,875 is unused at balance date.

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no significant events occurring after the reporting period.

DIRECTORS' DECLARATION

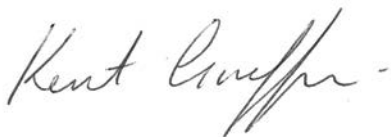
In the Directors' opinion:

- (a) The financial statements and notes set out on pages 7 to 26 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
 - (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-For-Profits Commission Regulation 2013 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mrs Prue Gilles AM
Chair



Mr Kent Griffin
Director

Melbourne
25/10/2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of The Lost Dogs' Home

We have audited the accompanying financial report of 'The Lost Dogs' Home (the "Home"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 of the Home.

Directors' responsibility for the financial report

The Directors of the Home are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes 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 us to 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.

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In making those risk assessments, the auditor considers internal control relevant to the Home'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 Home'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.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion the financial report of The Lost Dogs' Home is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i giving a true and fair view of the Home's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Eric Passaris
Partner - Audit & Assurance

Melbourne, 25 October 2016