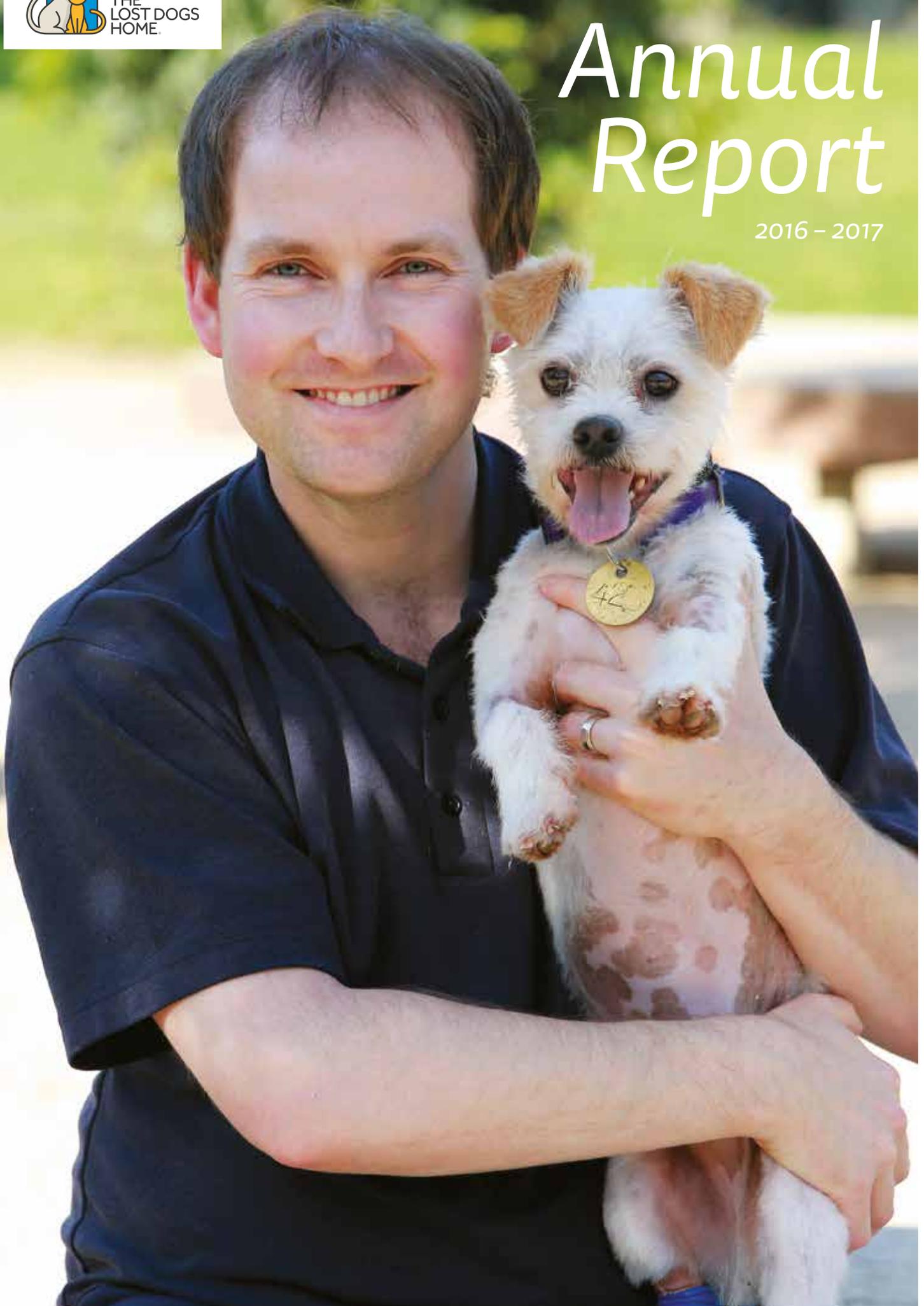




THE
LOST DOGS
HOME.

Annual Report

2016 - 2017





Staff and volunteers at The Lost Dogs' Home are unwavering in their support and advocacy for all animals that enter through its doors. Each decision is motivated by increasing the number of animals reunited with their owners, and the rehoming of those who are in need.

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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

Chair's Report



It is now five years since I became a Director of The Lost Dogs' Home and as I write my last Annual Report as Chair of the Board, I take this opportunity to thank those with whom I have had the pleasure of sharing responsibility for the governance of this remarkable institution that is so quintessentially part of the history of animal welfare in Victoria.

The challenges inherent to the pace of change at the Home have been significant, but Board members have remained focused, resolute and determined to achieve the best possible outcomes for all the dogs and cats who arrive at the Home seeking comfort and care.

Dr Dylan Barber, Mr Matt Coleborne, Mr Robert Donato (Chair of the Strategy Committee), Ms Louise Doyle (Chair of the Governance Committee), Ms Linda Glucina, Mr Kent Griffin (Chair of the Finance, Audit and Risk Committee), Mr Terry Makings and Ms Tanya Khan have continued to impart wisdom and bestow expertise in such areas as veterinary science, law, engineering, marketing and finance. Each and all have given many hours of their time to the procedural demands that membership of a charity Board imposes and I have been very grateful for their collective support.

I particularly acknowledge the impressive service of Mr Terry Makings who has now resigned from the Board.

Since he was appointed to the Board some four years ago, Mr Makings has shared his skills and experience in Local Government, including the City of Melbourne with great generosity and understanding. A meticulous and practical participant in all Board proceedings, we have admired his resolve and loyalty to fiduciary obligations.

It is appropriate here to acknowledge the outstanding contribution to the work of the Board by our Company Secretary, Ms Rachel Portelli and we record our appreciation and thanks.

The appointment of Mr Andrew Israel as CEO by the Board some twelve months ago has ensured that a new era of leadership is taking place to guide and address the core values implicit to the Home's mission and fundamental to the implementation of the current strategic plan. This has been demonstrated in a number of tangible ways including:

- over 90% of dogs being rehomed or adopted;
- a financial surplus of \$1.7M;
- effective communication with other animal welfare groups and organisations; and
- a management structure and style which fosters and encourages professional development for all members of staff.

Special mention should of course be made to the dedicated General Managers, David Cowie (Chief Finance Officer), David Cunliffe (Animal Welfare), Ben Pocock (Shelter and Outreach), Vanessa Tetaz (People and Culture) and Janene Blanchfield-Brown (Philanthropy) who support Andrew so effectively and deserve our approbation and respect.

The staff of The Lost Dogs' Home continue to inspire our admiration and gratitude for their collective efforts to reunite, rehabilitate and rehome the thousands of dogs and cats who arrive at the Gracie Street and Cranbourne shelters every year and we thank them all.

The continuing involvement of our ever-growing band of volunteers who undertake a multitude of tasks from dog walking to foster caring and administrative support is worthy of special accolades. They represent the heart of the Home's mission and we continue to be inspired by their dedication to the animals in their care.

Our generous Patrons, Julie Somers OAM and Daryl Somers OAM and Marty Fields have continued their wonderful support of the Home, as has our tireless Ambassador, Mike Larkan with his regular presentation 'Give a Dog a Home' on Channel Ten. To each and all, our sincere thanks.

It is most pleasing to report that the Life Membership continues to grow, attracting a broad spectrum of the animal welfare network. Many of these members and groups already have a close relationship with the Home and are excited about the opportunity to strengthen this association in the future. We have particularly appreciated the contribution made by Rescued with Love for support and guidance in connecting with this community.

In expressing thanks to all our remarkable donors, benefactors and supporters, who give financial and other gifts, the Board acknowledges with profound gratitude those who have remembered the Home through the provision of a bequest.

A new chapter in the history of the Home is now being written and it is with great pleasure that I announce the establishment of The Lost Dogs' Home Foundation.

The Foundation will build on our history of philanthropy which has sustained the Home since its inception and will attract and encourage pledges, gifts and legacies and honour these acts of generosity. Its primary purpose is to invest and grow a capital base for the long term financial security of the Home and to work with the Philanthropy team to support fundraising for special projects deemed essential to The Lost Dogs' Home as a leading voice in animal welfare.

To have served as Chair of the Board has been a privilege and I take this opportunity to wish the Home every success in the future.



Mrs Prue Gillies AM
Chair of the Board

CEO's Report



I have seen extraordinary people do remarkable things since I came to the Home. I don't just mean the people who volunteer and who staff the Home. I speak too of those selfless, kind, caring and generous members and donors who give money, food, blankets, medicines and equipment to the dogs and cats of the Home. Donations, small and large, allow us to fund the safe haven, enrichment, medical attention, training and post-adoption support that many animals need to find their new loving and forever home.

We are extremely grateful too, for the remarkable legacies that many wonderful people leave to the dogs and cats of the Home. I am truly moved by the fact that many people, who have themselves so often scrimped, saved and gone without in their own lives, are determined to continue to make an impact after they are gone.

I must thank the Board and my Chair, Mrs Prue Gillies AM, for their dedication and commitment to the Mission of the Home. Without their input and support, much of the work the Home does would go unrewarded and unrecognised, and our future would look far less assured than it is.

As a result of all these factors, we continue to be a leader in the animal welfare sector with a reclaim rate of 72% for dogs. We also rehome 15% more dogs per year than mandated benchmarks. In 2017 more than 90% of all dogs were either reclaimed or found a new forever home.

2017 saw a step up in advocacy with the release of a National RSPCA submission to Government on cats in the community and in the wild. The Home broadly supported 22 recommendations, but differed strongly in areas dealing with wild cats. Cats are a cherished part of the fabric of our community and this issue will continue to challenge governments at all levels, and animal welfare and conservation organisations, until a coherent action plan, with funding, is agreed.

2017 actually saw a decline in numbers of dogs received. This is due to council rangers returning dogs to owners, where possible, before coming here. This reduces stress on animals and owners. The only downside is a larger percentage coming to us are unidentified; often having serious health or behaviour problems. This makes our work harder, not easier. We spend more time and money treating, fostering and rehoming more complex cases, than ever before.

We also introduced an online listing of stray pets who arrived at the Home, as a visual tool for owners to check if their dog or cat is with us if they have gone missing. This idea was championed by a rescue group. Its flawless execution is testament to the staff of the Home.

These two changes and the ever-increasing effort we put into rehoming all animals will continue to see us being challenged financially and logistically for many years to come. Fortunately, this last financial year saw a healthy surplus of \$1.7M; this was aided by strong cost containment, and is largely also a result of increased legacies. Our reserves now stand at a healthy \$8M. These funds are going to be invested in new and expanded services to increase rates of return and rehoming for cats and dogs.

We are also at the point when the new Arden Precinct zonings will be finalised. As the area develops the Home will take advantage and invest in a modern urban shelter so that we are not at risk from changes in the urban fabric, allowing us to remain as leaders in animal welfare. As plans take shape we will share them and seek input.

We will always rely on your support and encouragement to ensure the Home can realise the dream of ensuring that every dog and cat has a safe and loving home.

Thank you for your support of the Home and its Mission this year, and I look forward to another successful year ahead.



Andrew Israel
Chief Executive Officer

“I have seen extraordinary people do remarkable things since I came to the Home. I don't just mean the people who volunteer and who staff the Home. I speak too of those selfless, kind, caring and generous members and donors who give money, food, blankets, medicines and equipment to the dogs and cats of the Home.”

Animal Welfare at the Home

Through the generosity of our supporters the Home is able to give lost and abandoned animals the quality care and veterinary treatment they deserve. Each step of the way is a step closer to each cat and dog finding their home for life.

20,146 animals in our care



91.1% of all dogs were reunited with their owners, adopted into new homes or transferred to a rescue organisation (8,279).
A 1.1% increase from the previous year.



45.4% of all cats were reunited with their owners, adopted into new homes or transferred to a rescue organisation (5,034).
A 6.4% increase on the previous year.

ADMISSIONS TO THE LOST DOGS' HOME SHELTERS 2015/16 TO 2016/17

	North Melbourne/ Cranbourne 2015/16		North Melbourne/ Cranbourne 2016/17	
Dogs Admitted	10,286	%	9,068	%
Reclaimed	7,419	72.1	6,637	73.1
Rehomed	1,883	18.3	1,567	17.2
Euthanised	913	8.8	802	8.8
Other	138	1.3	75	0.8
Cats Admitted	10,685	%	11078	%
Reclaimed	988	9.2	869	7.8
Rehomed	3,134	29.3	3,637	32.8
Euthanised*	6,015	56.2	5,899	53.2
Other live	517	4.8	528	4.8
Other non-live	-	-	150	1.3

Statistical table footnotes:

Incoming animal 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.

Reuniting pets with their families

Each animal that comes into our care is an individual with their own unique story, and shelter staff unwaveringly explore all available avenues when searching for the owners of lost pets.

The Home reunites 15 per cent more dogs year on year than the animal welfare benchmark.

In early 2017 the Home launched an online portal displaying all lost pets that reached our shelters; providing peace of mind for owners. We expect that we'll be able to get animals home faster and foster a closer connection between the Home, councils and pet owners of Melbourne. Our hope is that cat reclaims in particular will benefit with an improvement in their reunion rates.

We believe this is a progressive stage in animal welfare sheltering that will lead the way for all pets.

Supporting cats, assisting communities

Over the last five years the Home has nearly tripled cat adoptions. In 2016/17 the Home increased cat adoptions by 3.5 per cent, 503 more cats than the previous year. Creative campaigns including our fee-waived Purr Agents and Catibean adoption campaigns saw 985 desexed, microchipped and vaccinated cats adopted into new homes. Additionally, the Home's mobile pet care unit, MADI, in partnership with councils, provided discounted mobile desexing to 698 disadvantaged families.

However, the number of cats that enter the Home each year continues to rise. This year the Home cared for an extra 393 cats. The challenge ahead is to curb the influx of incidental breeding.

6,214 surgeries on homeless animals

Every day, homeless pets from all walks of life arrive at our shelter hospital in need of treatment. In 2016/17 our veterinary team performed 6,214 surgeries on stray cats and dogs, at a cost of approximately \$374,000. Of these, 870 were looked after in our state-of-the-art Frank Samways Veterinary Clinic. Desexing, routine dental scaling, lump removals and orthopaedic surgeries were among common surgeries.

Over the past financial year the Home's specialised veterinarian team increased productivity through knowledge sharing and process refinement. This resulted in more procedures on stray cats and dogs at a lower operating cost without compromising our team's main focus: prioritising health outcomes, and alleviating the pain and stress of the animals in our care.

Specialised behaviour training

Surrendered animals are a reality of human circumstance and the Home remains open to receive those that have nowhere else to turn. Every cat and dog that enters the Home, whether surrendered or waiting for their owner, has a health and well-being assessment. Physical and mental health considerations help to determine the right care plan for each animal.

The Home's behaviour team tailors specialised care plans to help reintegrate dogs with behaviour concerns into the community. Plans can include: time in foster care; veterinary and behavioural support; or a recommendation to transfer to a rescue partner. This financial year, our specialised behaviour rehabilitation program has helped a further 173 dogs re-enter the community – 87 per cent via the Home's adoption program.

Foster care and rescue partnerships

Increased foster care and rescue networks and partnerships have enabled the Home to build and support the village it takes to care for cats and dogs in need. Foster groups and rescues are welcomed at our Frank Samways Veterinary Clinic with considerable discounts for the animals in their temporary care. The Home's rescue program saw 233* dogs and 602* cats transferred to rescue groups this financial year. While the Home's dedicated foster carers took in 702 cats and dogs for an average timeframe of 3.2 weeks.

**These numbers do not include any animals that were transferred to rescue via the Darebin Council program.*

Our priceless donors and volunteers

The Home's initiatives are made possible through the generosity of our donors. Each year we strive to make every dollar go further to maximise our impact on the lives of the animals at the Home. Donor support enables staff to focus on their main priority: to produce positive outcomes for the cats and dogs in our care.

Volunteers enable the Home to build on programs so we can assist more animals in need. Their support allows our expert and experienced staff to focus on the core work that is vital to the health, wellbeing and future of the animals in our care.

Over the 2016/17 year the Home expanded the volunteers program. Two hundred volunteers now perform helpful roles including: animal enrichment, grooming and transportation, photography, ground maintenance and laundry, photography, and administrative work.





Our Stories

SPECIAL CASE STUDY

A happy home for Graham: A cat who endured horrific injuries



Stray moggie Graham arrived at our North Melbourne shelter with injuries so horrific, we suspect he was hit by a car.

"Graham's left hind foot was badly mangled; almost all of the toes were crushed and exposed. The tip of his tail had also been degloved, leaving the bone exposed," said Amanda, cattery coordinator at the Home.

"There was no active bleeding, so the injuries would have been around two to three days old. The pain would have been excruciating."

Pain relief and antibiotics alleviated Graham's suffering and kept him comfortable. His injuries were so severe that our vets had to amputate his left hind leg and tail during surgery. But, the brave cat made a smooth recovery.

A loving family took Graham home only hours after he went up for adoption.

"We immediately fell in love with Graham; his wise and loving personality shone through before he even came out of his enclosure," said Graham's new owner, Lily.

"Graham has settled in wonderfully and already has a favourite spot on the couch, having claimed a pillow and blue blanket. He's adjusting really well to life with only three legs, only occasionally toppling over.

"He loves to have snuggles in our bed at night time, and during the day enjoys following us around on the deck in the backyard. Graham loves a belly rub, and trying to snatch our dinner if we're not looking.

Our house feels like a home with Graham, and we couldn't be happier to give a special needs cat a forever home with us. He may only have three legs, but he has a heart full of love for everyone around him.

"I have always found shelter pets to have the most beautiful nature and personalities, despite any previous hardships."

“ We immediately fell in love with Graham; his wise and loving personality shone through before he even came out of his enclosure. ”

SPECIAL CASE STUDY

From train tracks to a safe home: Lulu's tale of survival



Lulu was rescued from train tracks in Melbourne's west. She was found sheltering in a railway tunnel, surviving on dirty water from puddles.

Luckily, a security guard who was patrolling the tracks spotted Lulu.

Thanks to donations from animal lovers, our team of vets and nurses was ready to tend to the horrific wounds all over Lulu's body, and alleviate her pain.

Further tests showed that Lulu had a tumour and painful eye condition, both of which required specialist surgery. She spent a month recovering under the care of our vets and nurses, and also gained her confidence with the help of our behaviour team.

Lulu melted the hearts of her carers at the Home. The same happened when she first met adopters Sarah and Cameron, who would become her new family.

"We cannot explain what a gem she is. She is the most beautiful natured, affectionate, loving friend and the perfect fit for our family," said Sarah.

"Our home has been greatly enriched since the moment Lulu came galloping through our front doors with excitement and love to give.

"There is nothing better than seeing her face at the window when we arrive home; the full body wiggle she gives when we walk through the door; leaping like an Olympic high jumper and running around in circles, so full of ecstatic joy.

"She is our shadow. She follows us almost everywhere and her favourite time of day is when the three of us are cuddled on the couch or in bed together.

"Not only is she the most amazing, resilient character, but her trust and love for her human companions must surely come of the support of the carers she has befriended at The Lost Dogs' Home."

"There is nothing better than seeing her face at the window when we arrive home; the full body wiggle she gives when we walk through the door; leaping like an Olympic high jumper and running around in circles, so full of ecstatic joy."

SPECIAL CASE STUDY

Meela thrives in the countryside



From the moment we met Meela, she stood out. The shy mastiff cross came to us as a stray, wearing a tea towel as a bandana.

Meela was anxious, unsure and lacked confidence with people and other dogs. She was placed into our Behaviour Program to help her reach her full, thriving potential and prepare her for a smooth transition into a new home

With positive reward-based training and plenty of TLC, Meela's cheeky personality started to emerge.

"When Meela first came in, she was a little bit shy and reserved, but after one or two sessions with her trainer, she was bounding around, doing a bit of a funny bunny-hop," said Gemma, adoptions team leader at the Home.

Over 12 weeks, our behaviour team taught Meela new skills to help build her confidence and independence.

"She really came a long way. When she first entered the Behaviour Program, she would back off from strangers. She was a little bit apprehensive and wasn't really sure. But after, she would bound up to you and look at you for a treat," said Gemma.

Meela transformed into a happy, confident dog who also learned how to interact and play with other dogs.

When Andrew and his family visited the shelter to adopt a dog, Meela spotted them and perked right up.

"We could see straight away that she was keen to meet us," said Andrew.

"Fergus, who we also adopted through the Home, wanted to go straight over to meet her. You could easily say that

they picked each other.

"Meela has adjusted really well to her new life and the fresh air, settling in very quickly. She truly enjoys her peace and quiet.

"We love Meela's beautiful, loving nature, her unconditional love and the generosity of her kisses, they never stop. We love how she jumps on the bed at night to sleep with us; she is a very good snorer.

"Meela has brought an immense amount of joy to our lives, they both have."

"She really came a long way. When she first entered the Behaviour Program, she would back off from strangers. She was a little bit apprehensive and wasn't really sure. But after, she would bound up to you and look at you for a treat."

SPECIAL CASE STUDY

New hope and home for Puss in Boots



Puss in Boots was very unwell when he arrived at the Home. The young cat was suffering from a range of conditions that had gone sometime without treatment.

Puss in Boots was underweight, had severe cat flu and gum disease. Even more shocking, his right eye was missing from the socket, which was filled with discharge and had eyelids that were stuck closed.

"Puss in Boots would have been in a lot of pain," said Amanda, cattery coordinator at the Home.

"He was immediately placed on antibiotics and pain relief to reduce the infection in his eye and help control the pain."

Nothing could be done to save Puss in Boots' right eye. To preserve his quality of life, vets in the shelter medicine team performed surgery to remove the eye contents from the socket.

Puss in Boots spent a week recovering under the care of our vets and nurses before he was well enough to go to a foster home, where he spent three weeks recovering.

"Puss in Boots had lots of love to give. He became a really outgoing and affectionate cat," said Amanda.

After seeing Puss in Boots' story on the Home's Facebook page, Sophie knew her family could offer him the happy life he deserved.

"I knew it was up to us to show him a loving forever home," said Sophie.

"Puss is confident and relaxed, even showing the dogs

who is boss. He has a beautiful, playful personality that is already shining through.

"The kids adore him and he loves all the attention. He is settling in perfectly and we are very grateful to have him.

"Shelter pets have usually been through a great deal of hardship, so they appreciate all the small things in life."

"I knew it was up to us to show him a loving forever home."





Financial Report

2016 - 2017

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 26/09/2017. 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 2017.

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 30 October 2016 unless otherwise noted. The number of meetings attended reflects those in the financial year ending 30 June 2017.

Name	Position	Meetings attended	Meetings held while Director
Mrs P Gillies AM	Chair	18	18
Dr D Barber	Director	15	18
Mr M Coleborne *	Director	7	7
Mr R Donato	Director	17	18
Ms L Doyle	Director	14	18
Ms L Glucina	Director	14	18
Mr K Griffin	Director	17	18

* On leave of absence from 8 September 2016 until 30 April 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 attended	Meetings held while Director	Date of appointment
Ms T Khan	Director	2	3	27 April 2017

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 attended	Meetings held while Director	Date of resignation
Ms A Lyon	Director	2	4	7 September 2016
Mr T Makings AM **	Director	11	12	27 April 2017

* On leave of absence from 8 September 2016 until 30 April 2017

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 surplus of the Home for the financial year ended 30 June 2017 was \$1,403,380 (2016: \$1,130,588 deficit).

Review of operations

Figures on the operations of the Home are as follows:

	2017 \$	2016 \$
Revenue from continuing operations	13,367,863	12,671,631
Operating activities expenses	(17,570,285)	(18,575,271)
Deficit from operating activities	(4,202,422)	(5,903,640)
Revenue from non-operating activities	5,605,802	4,773,052
Expenses from non-operating activities	-	-
Surplus/(deficit) for the year	1,403,380	(1,130,588)

Revenue from continuing operations for the year was higher than the previous year mainly because of higher revenue from council contracts and the Frank Samways Veterinary Clinic. There was an increase in other income from bequests. Expenses reduced as the Home reduced fund raising and employee related costs.

Significant changes in the state of affairs

The only significant changes in the state of the Home's affairs during the financial year were the sale of the National Pet Register operation and the Home finished its contract to manage the Shire of Campaspe's Echuca animal shelter.

Matters subsequent to the end of the financial year

The Home will finish its contracts to provide shelter services to Darebin and Moreland councils in October 2017. No other matter or circumstance has arisen since 30 June 2017 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 \$9,440.

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 \$10,944 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 26/09/2017

Auditor's Independence Declaration



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AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS 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 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b 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, 26 September 2017

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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 2017 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 26/09/2017

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

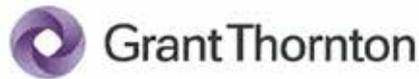
	2017 \$	2016 \$
Revenue from continuing operations	13,367,863	12,671,631
Other Income	5,605,802	4,773,052
Veterinary clinic expenses	(4,168,937)	(2,405,481)
Fundraising expenses	(1,230,341)	(1,802,759)
Shelter and Council contract expenses	(6,514,903)	(8,552,281)
Administration expenses	(5,656,104)	(5,814,750)
Surplus/(Deficit) for the year	1,403,380	(1,130,588)
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	339,397	(497,663)
Total comprehensive income for the year	1,742,777	(1,628,251)

Balance sheet

As at 30 June 2017

	2017 \$	2016 \$
ASSETS		
Current assets		
Cash & cash equivalents	4,199,624	2,350,348
Trade & other receivables	976,688	837,130
Inventories	109,954	180,812
Total current assets	5,286,266	3,368,290
Non-current assets		
Financial assets	4,049,024	3,967,834
Property, plant and equipment	14,190,362	14,542,590
Total non-current assets	18,239,386	18,510,424
Total assets	23,525,652	21,878,714
LIABILITIES		
Current liabilities		
Trade and other payables	852,042	685,556
Provisions	955,439	1,201,732
Total current liabilities	1,807,481	1,887,288
Non-current liabilities		
Provisions	133,101	149,133
Total non-current liabilities	133,101	149,133
Total liabilities	1,940,582	2,036,421
Net Assets	21,585,070	19,842,293
EQUITY		
Reserves	47,052	(270,644)
Retained earnings	21,538,018	20,112,937
Total equity	21,585,070	19,842,293

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOST DOGS HOME

Auditor's Opinion

We have audited the financial report of The Lost Dogs Home (the Home), which comprises the statement of financial position as at 30 June 2017, and 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, and comprising notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of The Lost Dogs Home:

- a presents fairly, in all material respects, the Home's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Auditor's Opinion

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

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

Information other than the Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Home's Directors report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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



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

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

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

Responsibility of the Directors for the Financial Report

The Directors of the Home are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.aasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner – Audit & Assurance
Melbourne, 26 September 2017



THE LOST DOGS HOME

COMPASSION AND CARE
SINCE 1910

02





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F 03 9326 5293

Frank Samways Veterinary Clinic
1 Boundary Road
North Melbourne VIC 3051
T 03 9329 2755
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The Lost Dogs' Home Cranbourne
920 Thompsons Road
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T 03 9702 8055
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The Lost Dogs' Home
(A Company Limited by Guarantee)
ABN 84 004 789 726

ANNUAL FINANCIAL REPORT
- 30 JUNE 2017-

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 2017.

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 26 September 2017 unless otherwise noted. The number of meetings attended reflects those in the financial year ending 30 June 2017.

NAME	POSITION	MEETINGS ATTENDED	MEETINGS HELD WHILE DIRECTOR
Mrs P. Gillies AM	Chair	18	18
Dr D Barber	Director	15	18
Mr M Coleborne *	Director	7	7
Mr R Donato	Director	17	18
Ms L Doyle	Director	14	18
Ms L Glucina	Director	14	18
Mr K Griffin	Director	17	18

* On leave of absence from 8 September 2016 until 30 April 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 ATTENDED	MEETINGS HELD WHILE DIRECTOR	DATE OF APPOINTMENT
Ms T Khan	Director	2	3	27 April 2017

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 ATTENDED	MEETINGS HELD WHILE DIRECTOR	DATE OF RESIGNATION
Ms A. Lyon	Director	2	4	7 September 2016
Mr T Makings AM (**)	Director	11	12	27 April 2017

** on leave of absence 8 September 2016 until 14 October 2016

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

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 surplus of the Home for the financial year ended 30 June 2017 was \$1,403,380 (2016: \$1,130,588 deficit)

Review of operations

Figures on the operations of the Home are as follows:

	2017	2016
	\$	\$
Revenue from continuing operations	13,367,863	12,671,631
Operating activities expenses	(17,570,285)	(18,575,271)
Deficit from operating activities	(4,202,422)	(5,903,640)
Revenue from non-operating activities	5,605,802	4,773,052
Expenses from non-operating activities	-	-
Surplus/(deficit) for the year	1,403,380	(1,130,588)

Revenue from continuing operations for the year was higher than the previous year mainly because of higher revenue from council contracts and the Frank Samways Vet Clinic. There was an increase in other income from bequests. Expenses reduced as the Home reduced fund raising and employee related costs.

Significant Changes in the State of Affairs

The only significant changes in the state of the Home's affairs during the financial year were the sale of the National Pet Register operation and the Home finished its contract to manage the Shire of Campaspe's Echuca animal shelter.

Matters subsequent to the end of the financial year

The Home will finish its contracts to provide shelter services to Darebin and Moreland councils in October 2017. No other matter or circumstance has arisen since 30 June 2017 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 \$9,440.

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 \$10,944 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
26 September 2017

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AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS 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 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b 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, 26 September 2017

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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 26/09/2017. The Directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

		2017	2016
	Notes	\$	\$
Revenue from continuing operations	3	13,367,863	12,671,631
Other Income	4	5,605,802	4,773,052
Veterinary clinic expenses		(4,168,937)	(2,405,481)
Fundraising expenses		(1,230,341)	(1,802,759)
Shelter and Council contract expenses		(6,514,903)	(8,552,281)
Administration expenses		(5,656,104)	(5,814,750)
Surplus/(Deficit) for the year		1,403,380	(1,130,588)
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)	339,397	(497,663)
Total comprehensive income for the year		1,742,777	(1,628,251)

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

<i>Balance Sheet</i>	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash & cash equivalents	6	4,199,624	2,350,348
Trade & other receivables	7	976,688	837,130
Inventories	8	109,954	180,812
Total current assets		<u>5,286,266</u>	<u>3,368,290</u>
Non-current assets			
Financial assets	9	4,049,024	3,967,834
Property, plant and equipment	10	14,190,362	14,542,590
Total non-current assets		<u>18,239,386</u>	<u>18,510,424</u>
Total assets		<u>23,525,652</u>	<u>21,878,714</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	852,042	685,556
Provisions	12	955,439	1,201,732
Total current liabilities		<u>1,807,481</u>	<u>1,887,288</u>
Non-current liabilities			
Provisions	13	133,101	149,133
Total non-current liabilities		<u>133,101</u>	<u>149,133</u>
Total liabilities		<u>1,940,582</u>	<u>2,036,421</u>
Net Assets		<u>21,585,070</u>	<u>19,842,293</u>
EQUITY			
Reserves	14 (a)	47,052	(270,644)
Retained earnings	14 (b)	21,538,018	20,112,937
Total Equity		<u>21,585,070</u>	<u>19,842,293</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 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
Total comprehensive income for the year	-	339,397	1,403,380	1,742,777
Reclassification of derecognised financial assets	-	(21,701)	21,701	-
Balance as at 30 June 2017	-	47,052	21,538,018	21,585,070

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

<i>Statement of cash flows</i>	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,773,560	8,553,808
Payments to suppliers and employees (inclusive of GST)		(17,955,616)	(18,659,153)
Fundraising proceeds		4,019,361	4,492,905
Cash legacies received		5,576,654	4,730,935
Interest received		72,114	3,590
Net cash inflow/(outflows) from operating activities		1,486,073	(877,915)
Cash flows from investing activities			
Payments for property, plant and equipment		(182,230)	(190,706)
Proceeds from sale of property, plant and equipment		31,839	51,026
Payments for financial assets held at fair value through OCI		-	(355,789)
Proceeds from sale of financial assets held at fair value through OCI		258,949	275,656
Dividends received		254,645	351,709
Net cash inflows from investing activities		363,203	131,896
Cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		1,849,276	(746,019)
Cash and cash equivalents at the beginning of the year		2,350,348	3,096,367
Cash and cash equivalents at the end of the year	6	4,199,624	2,350,348

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 2016 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 to be effective from 1 July 2015, because the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows.

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.

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.

Summary of significant accounting policies (continued)

- > 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.

(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 above, the company has adopted AASB 9 as issued in December 2014 to be effective 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.

(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.

(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:

	2017	2016
	%	%
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.

Summary of significant accounting policies (continued)

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.

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.

Summary of significant accounting policies (continued)

(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	2017 \$	2016 \$
From continuing operations			
Sales revenue			
Sale of goods		878,322	1,186,290
Services		8,182,410	6,599,844
		<u>9,060,732</u>	<u>7,786,134</u>
Other revenue			
Dividends		229,726	351,709
Bank interest		58,044	40,883
Grants		41,418	14,407
Donations		3,977,943	4,478,498
		<u>4,307,131</u>	<u>4,885,497</u>
Total Revenue		<u>13,367,863</u>	<u>12,671,631</u>

4. OTHER INCOME

	Notes	2017 \$	2016 \$
Other income		29,148	42,117
Legacies		5,576,654	4,730,935
		<u>5,605,802</u>	<u>4,773,052</u>

5. EXPENSES

	Notes	2017 \$	2016 \$
Depreciation of non-current assets	10	531,767	639,667
Rental expense relating to operating leases		34,214	33,504
Employee benefits expenses including superannuation		11,559,244	11,522,850
The Home employed 201 employees at 30 June 2017 (2016: 251 employees).			

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Notes	2017 \$	2016 \$
Cash at bank and in hand		741,762	550,348
Deposits at call		3,457,862	1,800,000

4,199,624 2,350,348

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS (Continued)

(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	2017 \$	2016 \$
Balances as above		4,199,624	2,350,348
Bank overdrafts		-	-
Balances per statement of cash flows		<u>4,199,624</u>	<u>2,350,348</u>

7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Notes	2017 \$	2016 \$
Trade and other receivables		818,570	709,330
Franking credits		158,118	90,507
Interest accrued		-	37,293
		<u>976,688</u>	<u>837,130</u>

8. CURRENT ASSETS – INVENTORIES

	Notes	2017 \$	2016 \$
Stock on Hand – Veterinary stock at cost		109,954	180,812
		<u>109,954</u>	<u>180,812</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	2017 \$	2016 \$
Listed securities			
Shares in public companies		2,697,654	2,584,983
Units in investment trusts		1,351,370	1,382,851
		<u>4,049,024</u>	<u>3,967,834</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 \$	Vehicles \$	Office and Computer \$	Specialty Vet Equipment \$	Total \$
At 30 June 2016						
Cost of fair value	18,200,032	541,680	1,451,576	555,348	299,382	21,048,018
Accumulated depreciation	(4,021,470)	-322,868	(1,442,336)	(538,157)	(180,597)	-6,505,428
Net book amount	14,178,562	218,812	9,240	17,191	118,785	14,542,590
Year ended 30 June 2017						
Opening net book amount	14,178,562	218,812	9,240	17,191	118,785	14,542,590
Additions	-	150,777	-	14,866	16,587	182,230
Net Disposals	-	-2,691	-	-	-	-2,691
Depreciation charge	(358,423)	-86,599	(9,240)	(12,047)	(65,458)	-531,767
Closing net book amount	13,820,139	280,299	-	20,010	69,914	14,190,362
At 30 June 2017						
Cost of fair value	18,200,032	689,766	1,451,576	570,214	315,969	21,227,557
Accumulated depreciation	(4,379,893)	-409,467	(1,451,576)	(550,204)	(246,055)	-7,037,195
Net book amount	13,820,139	280,299	-	20,010	69,914	14,190,362

11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Notes	2017	2016
		\$	\$
Trade creditors		420,820	389,507
Accruals		431,222	296,049
		<u>852,042</u>	<u>685,556</u>

12. CURRENT LIABILITIES – PROVISIONS

	Notes	2017	2016
		\$	\$
Employee entitlements			
Provision for annual leave		586,517	709,375
Provision for long service leave		368,922	492,357
		<u>955,439</u>	<u>1,201,732</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	2017	2016
		\$	\$
Employee entitlements			
Provision for long service leave		133,101	149,133

14. RESERVES AND RETAINED EARNINGS

	2017	2016
	\$	\$
(a) Reserves		
Financial assets held at fair value through OCI	<u>47,052</u>	<u>(270,644)</u>
Movement in reserves were as follows:		
Balance 1 July 2016	(270,644)	227,019
Revaluation – gross	339,397	(497,663)
Reclassification of derecognised financial assets	(21,701)	-
Balance 30 June 2017	<u>47,052</u>	<u>(270,644)</u>

14. RESERVES AND RETAINED EARNINGS (Continued)

	2017	2016
	\$	\$
(b) Retained earnings		
Movement in retained earnings were as follows:		
Balance 1 July 2016	20,112,937	21,243,525
Net surplus/(deficit) for the year	1,403,380	(1,130,588)
Reclassification of derecognised financial assets	21,701	-
Balance 30 June 2017	21,538,018	20,112,937

(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

	2017	2016
	\$	\$
Key management personnel compensation:		
Short-term employee benefits	560,773	430,995
Post-employment benefits	88,377	41,264
	649,150	472,259

During the financial year there were no additional related party transactions (2016 - \$Nil) paid in the ordinary course of business. The increase in key management costs in 2017 compared to the 2016 financial year is due to the turnover of key management personnel.

16. FINANCE FACILITIES

The Home has a bank guarantee facility of \$200,000. Of this facility \$60,094 is unused at balance date.

17. 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 22 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 2017 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
26 September 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOST DOGS HOME

Auditor's Opinion

We have audited the financial report of The Lost Dogs Home (the Home), which comprises the statement of financial position as at 30 June 2017, and 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, and comprising notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of The Lost Dogs Home:

- a presents fairly, in all material respects, the Home's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Auditor's Opinion

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

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

Information other than the Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Home's Directors report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibility of the Directors for the Financial Report

The Directors of the Home are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf . This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Eric Passaris
Partner – Audit & Assurance
Melbourne, 26 September 2017