



The Lost Dogs' Home

ABN 84 004 789 726

Financial Report

For the financial year ended 30 June 2021

Directors' report

The directors present their report together with the financial report of The Lost Dogs' Home ("the Home") for the financial year ended 30 June 2021.

Directors

The following persons were directors of the Home during the whole of the financial year and up to the date of this report, unless otherwise stated. The number of meetings attended reflects those in the financial year ended 30 June 2021. Meetings held represents the number of meetings held during the time the director held office during the financial year.

Board Director	Notes	Board ¹		Animal Welfare & Ethics Committee ²		Finance & Audit Committee ³		Governance & Risk Committee ⁴	
		No. Attended	No. of Meetings	No. Attended	No. of Meetings	No. Attended	No. of Meetings	No. Attended	No. of Meetings
Kristine Daniels		9	10			10	10		
Rohan Filer		10	10			10	10		
Kim Flanagan		9	10					6	6
Simon Greaves	Chair ¹	9	10						
Mitchell Hancock	Chair ³	10	10			10	10		
Tanya Khan	Chair ⁴	9	10					6	6
Sue Noble	Chair ² appointed 4 Mar 2021	9	10	6	7				
Sharon Rowland	Chair ² resigned 4 Mar 2021	9	10	7	7				
Craig Tucker		10	10					6	6

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 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.

Contributions on winding up

The Home is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2021 the total amount that members of the Company are liable to contribute if the Company does not exceed \$23,460.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Simon Greaves
Chair
26 October 2021



Mitchell Hancock
Director
26 October 2021

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 2021, 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



D G Ng
Partner - Audit & Assurance

Melbourne, 26 October 2021

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General information

The financial statements cover The Lost Dogs' Home as an individual entity. The financial statements are presented in Australian dollars, which is The Lost Dogs' Home's functional and presentation currency.

The Lost Dogs' Home is a not-for-profit unlisted public 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 Act 2012* 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, in accordance with a resolution of directors, on 26 October 2021. The directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 \$	2020 restated \$
Revenue and other income			
Revenue from continuing operations	3	7,947,266	8,128,530
Donations income		3,268,469	3,031,968
Gifts in will income		4,901,783	6,799,330
Government grants		3,293,443	1,455,500
Other income	4	368,099	442,489
		19,779,060	19,857,817
Expenses			
Animal welfare expenses		(9,724,826)	(11,576,746)
Fundraising expenses		(963,915)	(617,260)
Veterinary expenses		(2,175,503)	(2,242,833)
Administration expenses		(5,907,433)	(5,421,600)
		(18,771,677)	(19,858,439)
Surplus/(Deficit) for the year attributable to the members of The Lost Dogs' Home		1,007,383	(622)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of financial assets measured at fair value through other comprehensive income		1,087,967	(616,538)
Other comprehensive income/(loss) for the year		1,087,967	(616,538)
Total comprehensive income/(loss) for the year attributable to the members of The Lost Dogs' Home		2,095,350	(617,160)

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

Statement of financial position

As at 30 June 2021

	Note	2021 \$	2020 restated \$
Assets			
Current assets			
Cash and cash equivalents	6	6,514,424	5,519,524
Trade and other receivables	7	662,116	1,193,295
Inventories	8	140,516	164,365
Other assets		213,308	170,214
Total current assets		7,530,364	7,047,398
Non-current assets			
Financial assets	9	9,806,993	7,124,038
Intangible assets	10	20,648	-
Property, plant and equipment	11	13,689,308	14,184,513
Right of use assets	12	30,247	-
Total non-current assets		23,547,196	21,308,551
Total assets		31,077,560	28,355,949
Liabilities			
Current liabilities			
Trade and other payables	13	922,994	505,693
Provisions	14	957,202	779,091
Lease liability - Right of use assets	12	10,053	-
Total current liabilities		1,890,249	1,284,784
Non-current liabilities			
Provisions	14	80,565	63,986
Lease liability - Right of use assets	12	20,194	-
Total non-current liabilities		100,759	63,986
Total liabilities		1,991,008	1,348,770
Net assets		29,086,552	27,007,179
Equity			
Reserves	15	3,578,658	2,455,500
Accumulated surplus		25,507,894	24,551,679
Total equity		29,086,552	27,007,179

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

Statement of changes in equity

For the year ended 30 June 2021

	Reserves	Accumulated surplus	Total equity
	\$	\$	\$
Balance at 1 July 2019	2,980,825	24,643,514	27,624,339
Profit for the year restated	-	(622)	(622)
Other comprehensive income	(616,538)	-	(616,538)
Total comprehensive income for the year restated	(616,538)	(622)	(617,160)
Other equity movements	91,213	(91,213)	-
Balance at 30 June 2020 restated	2,455,500	24,551,679	27,007,179

	Reserves	Accumulated surplus	Total equity
	\$	\$	\$
Balance at 1 July 2020	2,455,500	24,551,679	27,007,179
Profit for the year	-	1,007,383	1,007,383
Other comprehensive income	1,087,967	-	1,087,967
Total comprehensive income for the year	1,087,967	1,007,383	2,095,350
Other equity movements	35,191	(51,168)	(15,977)
Balance at 30 June 2021	3,578,658	25,507,894	29,086,552

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

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 \$	2020 restated \$
Cash flows from operating activities			
Receipts from customers (inc GST)		8,514,556	9,160,631
Payments to employees and suppliers (inc GST)		(17,421,369)	(20,140,023)
		(8,906,813)	(10,979,392)
Donations received		3,268,469	3,031,968
Gifts in wills received		4,202,943	6,799,330
Government grants received		3,293,443	958,500
Interest received		12,578	3,660
Net cash from/(used in) operating activities		1,870,620	(185,934)
Cash flows from investing activities			
Payments for investments		(1,150,131)	-
Payments for intangibles		(22,497)	-
Payments for property, plant and equipment		(254,807)	(1,224,427)
Proceeds from disposal of investments		273,193	707,134
Proceeds from disposal of property, plant and equipment		7,455	-
Dividends received		271,067	373,069
Net cash used in investing activities		(875,720)	(144,224)
Net increase/(decrease) in cash and cash equivalents		994,900	(330,158)
Cash and cash equivalents at the beginning of the financial year		5,519,524	5,849,682
Cash and cash equivalents at the end of the financial year	6	6,514,424	5,519,524

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

Notes to the financial statements

1. 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 Lost Dogs' Home ('the Home') which is a not-for-profit organisation.

New or amended Accounting Standards and Interpretations adopted

IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

The Home conducted an analysis on all costs incurred in relation to its Cloud Computing Arrangements. Through this analysis the Home identified that costs in relation to software were capitalised despite not having control of the cloud application software, not meeting the criteria for capitalisation under AASB 138. Consequently, the cumulative impact on the financial statements as a result of this change in policy for the 30 June 2021 and the comparative period ending 30 June 2020 have been presented below:

Adjustments made to statement of financial position

Year ended 30 June 2021

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Assets			
Non-current assets			
Intangible assets	298,563	(277,915)	20,648
Property, plant and equipment	13,689,308	-	13,689,308
Other non-current assets	9,837,240	-	9,837,240
Total non-current assets	23,825,111	(277,915)	23,547,196
Total assets	31,355,475	(277,915)	31,077,560
Net assets	29,364,467	(277,915)	29,086,552
Equity			
Total comprehensive income for the year attributable to the members of The Lost Dogs' Home	2,373,265	(277,915)	2,095,350
Net worth	2,373,265	(277,915)	2,095,350

1. Significant accounting policies (continued)

Year ended 30 June 2020

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Assets			
Non-current assets			
Intangible assets	-	-	-
Property, plant and equipment	14,418,933	(234,420)	14,184,513
Other non-current assets	7,124,038	-	7,124,038
Total non-current assets	21,542,971	(234,420)	21,308,551
Total assets	28,590,369	(234,420)	28,355,949
Net assets	27,241,599	(234,420)	27,007,179
Equity			
Total comprehensive loss for the year attributable to the members of The Lost Dogs' Home	(382,740)	(234,420)	(617,160)
Net Worth	(382,740)	(234,420)	(617,160)

Adjustments made to statement of profit or loss and other comprehensive income

Year ended 30 June 2021

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Expenses from transactions			
Depreciation and amortisation	(806,518)	54,657	(751,861)
Operating expenses	(17,921,665)	(98,151)	(18,019,816)
Total expenses from transactions	(18,728,183)	(43,494)	(18,771,677)
Surplus for the year attributable to the members of The Lost Dogs' Home	1,050,877	(43,494)	1,007,383
Total comprehensive income/(loss) for the year attributable to the members of The Lost Dogs' Home	2,138,844	(43,494)	2,095,350

1. Significant accounting policies (continued)

Year ended 30 June 2020

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Expenses from transactions			
Depreciation and amortisation	(684,273)	-	(684,273)
Operating expenses	(18,939,746)	(234,420)	(19,174,166)
Total expenses from transactions	(19,624,019)	(234,420)	(19,858,439)
 Surplus for the year attributable to the members of The Lost Dogs' Home	 233,798	 (234,420)	 (622)
 Total comprehensive income/(loss) for the year attributable to the members of The Lost Dogs' Home	 (382,740)	 (234,420)	 (617,160)

Adjustments made to statement of cash flows

Year ended 30 June 2021

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Cash flows from / (used in) operating activities			
Payments to suppliers	(17,323,218)	(98,151)	(17,421,369)
Net cash from / (used in) operating activities	1,968,771	(98,151)	1,870,620
 Cash flows from / (used in) investing activities			
Payments for intangible assets	(120,648)	98,151	(22,497)
Payments for property, plant and equipment	(254,807)	-	(254,807)
Net cash from / (used in) investing activities	(973,871)	98,151	(875,720)

Year ended 30 June 2020

	Under previous accounting policy \$	Effect of change in accounting policy:	
		IFRIC Agenda \$	As presented \$
Cash flows from / (used in) operating activities			
Payments to suppliers	(19,905,603)	(234,420)	(20,140,023)
Net cash from / (used in) operating activities	48,486	(234,420)	(185,934)
 Cash flows from / (used in) investing activities			
Payments for intangible assets	-	-	-
Payments for property, plant and equipment	(1,458,847)	234,420	(1,224,427)
Net cash from / (used in) investing activities	(378,644)	234,420	(144,224)

1. Significant accounting policies (continued)

Comparative Figures – Expenses by function

Management have considered the allocation of expenses by function in the current reporting period. Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The adjustments have no impact on the surplus reported in the comparative period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the AASB and the *Australian Charities and Not-for-profits Commission Act 2012* as appropriate for not-for profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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.

Revenue and income recognition

The Home recognises revenue and income as follows:

Revenue from contracts with customers

The Home recognises revenue in accordance with AASB 15 *Revenue from Contracts with Customers*. Revenue is recognised either at a point in time or over time, when (or as) the performance obligations are satisfied by transferring the promised goods or services to its customers

Income of Not-for-Profit Entities

The Home recognises income in accordance with AASB 1058 *Income of Not-for-profit Entities*. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

For transfers of financial assets to the Home which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to:

- contributions by owners;
- AASB15 revenue or contract liability recognised;
- lease liabilities in accordance with AASB 16;
- financial instruments in accordance with AASB 9; or
- provisions in accordance with AASB 137.

Accounting policies for revenue and income recognised during the year are as follows:

Service fees from council contracts, veterinary services, and animal surrender services

Service fees from council contract services, veterinary services and animal surrender services are recognised when the services are rendered, and performance obligations are satisfied.

1. Significant accounting policies (continued)

Seized dog fees

Seized dog fees are daily fees charged as providing shelter services for seized animals and are recognised over the length of stay of the animal.

Adoption fees

Adoption fees are recognised at the point in time when animals are adopted, which is generally at the time when the animals are ready for pick up.

Merchandise sales

Sales of merchandise are recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Donations and Gifts in will income

Donations and legacies are recognised at the point in time only when the Home gains control of the funds and when the funds do not give rise to an obligation.

Government grants

Government grants, including JobKeeper payments, cash flow boost payments and other grants received from Federal and State Government are recognised at the point in time when actual cash is received or at expected values when it is reasonable that the Home will comply with the requirements and that the grant will be received.

Other income

Other income is recognised when performance obligations are fulfilled. The Home has elected not to recognise the financial impact of any volunteer services provided.

Income tax

As the Home is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Home's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Home's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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.

Inventories

Stock on hand includes microchips on hand and veterinary supplies and are stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

1. Significant accounting policies (continued)

Investments and other financial assets

Classification

The Home 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.

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.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income or other financial items, except for impairment of trade receivables, which is presented within administration expenses.

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 at fair value through profit or loss (FVTPL)

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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

The Home 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.

Impairment of financial assets

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

1. Significant accounting policies (continued)

Intangible assets

Recognition

Acquired intangible assets

Acquired computer software are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.

The following useful lives are applied:

- Software 20%

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of buildings, plant and other equipment. The following useful lives are applied:

- Buildings 2.5%
- Building improvements 5%
- Furniture and fittings 20%
- Motor vehicles 20%
- Plant and equipment 20% - 33.33%

The residual values, useful lives and depreciation methods 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.

Leases

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

Right of use assets and lease liabilities are recognised in the statement of financial position, initially measured at the present value of future lease payments

Depreciation of right-of-use assets and interest on lease liabilities are recognised in the profit or loss

The principal portion (presented within financing activities) and interest (presented within operating activities) is separated in the statement of cash flows.

1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Home prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Home based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Home operates. There were no significant impacts upon the financial statements as at the reporting date, however the Home continues to monitor any significant impact on operations or any significant uncertainties with respect to events or conditions which may impact the Home unfavourably subsequently as a result of the COVID-19 pandemic.

Estimation of useful lives of assets

The Home determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. Revenue from continuing operations

	2021 \$	2020 \$
Recognised over time		
Council contract fees	3,786,125	4,497,370
Veterinary fees	1,870,435	2,044,409
Seized dog fees	1,188,154	490,135
	6,844,714	7,031,914
Recognised at the point in time		
Adoption fees	897,274	942,376
Merchandise sales	131,298	132,848
Animal surrender fees	35,355	21,392
Behaviour fees	38,625	-
	1,102,552	1,096,616
Revenue from continuing operations	7,947,266	8,128,530

4. Other income

	2021 \$	2020 \$
Interest and dividend income	283,645	376,729
Other income	84,454	65,760
	368,099	442,489

5. Other expenses items

Surplus includes the following specific expenses:

	2021 \$	2020 \$
Depreciation and amortisation expense		
Depreciation expense	750,012	684,273
Amortisation expense	1,849	-
Leases		
Short-term lease payments	37,420	30,091
Employee benefits expense		
Employee benefits expense including superannuation	11,634,312	13,108,703

6. Cash and cash equivalents

	2021 \$	2020 \$
Current assets		
Cash on hand	1,903	2,800
Cash at bank	5,012,521	4,016,724
Deposits and call	1,500,000	1,500,000
	6,514,424	5,519,524

7. Trade and other receivables

	2021	2020
	\$	\$
Current assets		
Trade receivables	650,201	517,164
Allowance for doubtful debt	-	-
	650,201	517,164
Other receivables	11,915	676,131
	662,116	1,193,295

Other receivables includes the Franks Samways Vet Clinic debtors.

8. Inventories

	2021	2020
	\$	\$
Current assets		
Stock on hand - veterinary stock at cost	140,516	164,365

9. Financial assets at fair value

	2021	2020
	\$	\$
Non-current assets		
Financial assets measured at fair value through other comprehensive income	8,287,252	6,219,993
Financial assets measured at fair value through profit or loss	1,519,741	904,045
	9,806,993	7,124,038

The above financial assets are listed share and hybrid securities 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.

10. Intangible assets

	2021	2020
	\$	\$
Software intangibles		
Balance at 1 July	-	-
Additions	22,497	-
Disposals	-	-
Amortisation expense	(1,849)	-
Balance at 30 June	20,648	-

11. Property, plant and equipment

	2021 \$	2020 restated \$
Non-current assets		
Land - at cost	3,703,291	3,703,291
Buildings - at cost	14,329,627	14,329,627
Less: Accumulated depreciation	(5,606,714)	(5,248,967)
	8,722,913	9,080,660
Building improvements - at cost	20,359	-
Less: Accumulated depreciation	(271)	-
	20,088	-
Furniture and fittings - at cost	1,068,841	917,206
Less: Accumulated depreciation	(544,925)	(351,716)
	523,916	565,490
Motor vehicles - at cost	655,745	655,745
Less: Accumulated depreciation	(209,783)	(78,815)
	445,962	576,930
Plant and equipment	322,137	228,003
Less: Accumulated depreciation	(198,866)	(131,049)
	123,271	96,954
Work in progress	149,867	161,188
	13,689,308	14,184,513

Reconciliations

Fully depreciated fixed assets as office and computer equipment and specialty vet equipment have been written off during the year. Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Building Improvements \$	Furniture and fittings \$	Motor vehicles \$	Plant and equipment \$	Work in progress \$	Total \$
Balance at 1 July 2020 restated	3,703,291	9,080,660	-	565,490	576,930	96,954	161,188	14,184,513
Additions	-	-	20,359	151,636	-	94,133	(11,321)	254,807
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(357,747)	(271)	(193,210)	(130,968)	(67,816)	-	(750,012)
Balance at 30 June 2021	3,703,291	8,722,913	20,088	523,916	445,962	123,271	149,867	13,689,308

12. Leases

	2021	2020
	\$	\$
Right of use assets		
IT equipment	30,247	-
Depreciation for the year	-	-
	30,247	-
	2021	2020
	\$	\$
Lease liabilities		
Current	10,053	-
Non-Current	20,194	-
	30,247	-

The Home leased some IT equipment in February 2021 for which lease payments will commence from 1 August 2021.

13. Trade and other payables

	2021	2020
	\$	\$
Current liabilities		
Trade payables	376,230	320,996
Accruals and other payables	546,764	184,697
	922,994	505,693

14. Provisions

	2021	2020
	\$	\$
Current liabilities		
Annual leave	707,185	558,058
Long service leave	250,017	221,033
	957,202	779,091
Non-current liabilities		
Long service leave	80,565	63,986
	1,037,767	843,077

The current liability for employee provisions 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.

15. Reserves

	2021	2020
	\$	\$
Financial asset reserve	1,011,447	(111,709)
Strategic initiative reserve	2,567,211	2,567,209
	3,578,658	2,455,500

The Strategic initiatives reserve has first established in 2019 to provide funding for strategic initiatives for the future development of the Home, in line with the Home's Strategic Plan.

At the end of each financial year, the directors can elect to allocate up to 100% of bequest income (capped at the operating surplus for the year) to the strategic initiatives reserve from retained earnings. There was no allocation from the operating surplus for the 2021 financial year to the reserve as at 30 June 2021.

16. Contingent liabilities

There were no contingent liabilities identified for the financial year.

17. Related party transactions

Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Home is set out below:

	2021	2020
	\$	\$
Short-term employee benefits	291,071	450,000
Post-employment benefits	28,887	42,750
Termination benefits	44,689	-
	364,647	492,750

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

18. Finance facilities

The Home has no bank guarantee facility as at 30 June 2021 (2020: Nil).

19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Home's operations, the results of those operations, or the Home's state of affairs in future financial years.

Directors declaration

In the directors' opinion:

- the attached financial statements and notes comply with *Australian Accounting Standards - Reduced Disclosure Requirements*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Home's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Home will be able to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Simon Greaves

Chair

26 October 2021



Mitchell Hancock

Director

26 October 2021

Independent Auditor's Report

To the Member of The Lost Dogs' Home

Report on the audit of the financial report

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 2021, 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 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 has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- a giving a true and fair view of the Home's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the Financial Report and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Home are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards– Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 the Directors either intend to liquidate the Home or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Home's financial reporting process.

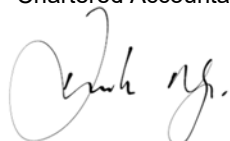
Auditor's responsibilities for the audit of the financial report

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 26 October 2021