



**The Lost Dogs' Home**

ABN 84 004 789 726

# **Financial Report**

For the financial year ended 30 June 2024

# 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 2024.

## Information About 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 2024.

Board Director	Qualifications	Experience
<b>Kristine Daniels</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration (Concentration in Marketing)</li> <li>• Bachelor of Science in Economics</li> <li>• Graduate, Australian Institute of Company Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2019</li> </ul>
<b>Rohan Filer</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Bachelor of Commerce &amp; Bachelor of Laws</li> <li>• Chartered Accountant</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2020</li> <li>• Chair of The Lost Dogs Home Arden Committee</li> <li>• Former Board Member Jewish Care Victoria</li> </ul>
<b>Simon Greaves</b>	<ul style="list-style-type: none"> <li>• BA (Hons) Geography</li> <li>• MSc Transportation and Traffic planning</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2017</li> <li>• Chair of The Lost Dogs Home Board since 2019</li> <li>• Former Director of BIP Special Purpose Company</li> </ul>
<b>Mitchell Hancock</b>	<ul style="list-style-type: none"> <li>• Bachelor of Commerce</li> <li>• Member Chartered Accountants AU/NZ</li> <li>• Certificate of Public Practice</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2019</li> <li>• Chair of The Lost Dogs' Home Finance and Audit Committee</li> <li>• Director of BlueRock Professional Services Group</li> </ul>
<b>Tanya Khan</b>	<ul style="list-style-type: none"> <li>• Bachelor of Laws</li> <li>• Post Graduate Diploma in Legal Practice</li> <li>• Post Graduate Diploma in Management</li> <li>• Masters of Business Administration</li> <li>• Certified CEO (CCEO)</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2017</li> <li>• Previous Chair of The Lost Dogs' Home Governance and Risk Committee</li> <li>• Chair of The Lost Dogs' Home Nomination Committee</li> <li>• Board member Distinctive Options</li> </ul>
<b>Sue Noble</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Graduate Diploma in International Trade</li> <li>• Graduate Diploma in Management</li> <li>• Graduate Diploma in Librarianship</li> <li>• Bachelor of Arts</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2019</li> <li>• Chair The Lost Dogs' Home Animal Welfare and Ethics Committee</li> <li>• Board member Softball Victoria</li> <li>• Advisory Board member Deakin University Centre for Sustainable and Responsible Organisations</li> <li>• Board member Victorian Institute of Sport</li> </ul>
<b>Craig Tucker</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• Master of Theology</li> <li>• Diploma of Project Management</li> <li>• Associate Diploma in Management</li> <li>• Diploma in Public Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Board member at The Lost Dogs' Home since 2020</li> <li>• Chair of The Lost Dogs' Home Governance and Risk Committee</li> </ul>

- a) **Kristine Daniels** joined the Governance & Risk Committee in February 2024 and resigned from the Animal Welfare & Ethics Committee in March 2024.
- b) **Sue Noble** joined the Governance & Risk Committee in May 2024.
- c) **Tanya Khan** resigned from Governance & Risk Committee in May 2024 and joined the Animal Welfare & Ethics Committee in March 2024.

The following persons resigned as directors during the year:

- a) Kim Flanagan resigned as a Director October 2023
- b) Sharon Rowland resigned as a Director May 2024

### Directors' Meetings

Meetings held represents the number of meetings held during the time the director held office during the financial year.

Board Director	Notes	Board <sup>1</sup>		Animal Welfare & Ethics Committee <sup>2</sup>		Finance & Audit Committee <sup>3</sup>	
		No. Attended	No. of Meetings	No. Attended	No. of Meetings	No. Attended	No. of Meetings
Kristine Daniels		8	8	3	4	6	6
Rohan Filer	Chair <sup>5</sup>	8	8			6	6
Kim Flanagan	Chair <sup>4</sup>	3	4				
Simon Greaves	Chair <sup>1</sup>	8	8				
Mitchell Hancock	Chair <sup>3</sup>	7	8			6	6
Tanya Khan	Chair <sup>6</sup>	6	8	2	2		
Sue Noble	Chair <sup>2</sup>	6	8	5	6		
Sharon Rowland		5	7	5	6		
Craig Tucker		8	8				

Board Director	Notes	Governance & Risk Committee <sup>4</sup>		Arden Committee <sup>5</sup>		Nominations Committee <sup>6</sup>	
		No. Attended	No. Meetings	No. Attended	No. of Meetings	No. Attended	No. of Meetings
Kristine Daniels		2	2				
Rohan Filer	Chair <sup>5</sup>			3	3		
Kim Flanagan	Chair <sup>4</sup>	3	3				
Simon Greaves	Chair <sup>1</sup>						
Mitchell Hancock	Chair <sup>3</sup>			2	3		
Tanya Khan	Chair <sup>6</sup>	3	3			1	1
Sue Noble	Chair <sup>2</sup>	0	1				
Sharon Rowland							
Craig Tucker	Chair <sup>4</sup>	4	4			1	1

### **Short-term and long-term objectives**

The Home's short-term and long-term objectives are to:

- Provide high-quality, compassionate care for our animals and deliver the best possible animal welfare outcomes.
- Grow a modern and agile charitable organisation that supports our purpose-driven work.
- Work in a spirit of partnership with our supporters, the community, government, businesses and other not-for-profits to deliver positive and ethical animal welfare outcomes.
- Grow a cohesive and resilient workplace culture that supports our skilled and passionate workforce and volunteers.
- Be fierce advocates for the welfare of pets and their owners.

### **Strategy for achieving the objectives**

We will fulfil these objectives by performing the following activities:

- Provide exceptional care for lost and stray animals
- Ensure animals have the best chance of being adopted
- Keep pets and their families together when it is the best outcome for both
- Achieve long-term financial sustainability
- Deepen engagement with our supporters
- Strengthen our governance and management model
- Enhance our systems and processes
- Transform our digital capabilities
- Expand collaborative partnerships and alliances
- Redevelop Cranbourne
- Redevelop or replace our North Melbourne shelter
- Reduce our ecological footprint
- Provide a safe environment for our people
- Promote a cohesive workplace culture
- Training and development
- Refine our volunteer strategy
- Educate the community on responsible pet ownership
- Be a strong voice for companion animals
- Improve outcomes for cats
- Expand our thought leadership
- Mobilise animal welfare change via partnership and collaboration

### **Performance measures**

The Home's performance will be measured by:

- We sensitively, empathetically and professionally manage the reunification and surrender of animals.
- We offer the highest standard of care for every animal that comes to us.
- We create a safe environment for animals that have been displaced, find homes for pets so they can thrive and work to keep people and pets together through times of crisis.
- Every animal that is capable of being adopted finds a new home.
- Cats that come into our care have the best possible outcomes.
- We are a financially sustainable charitable organisation.
- We have growing diverse revenue streams that support the services we aspire to provide.
- Our supporters feel valued and connected to our organisation.
- We have practical, robust, and transparent governance and management.
- We have streamlined, fit-for-purpose processes that balance efficiency and positive animal welfare outcomes.
- We have a comprehensive view, understanding of and relationship with our stakeholders.
- Our systems, policies and procedures will protect the privacy and data of our staff and stakeholders.



- Our facilities will ensure exceptional animal welfare and care now and into the future and support our objective to be an employer of choice.
- Our Cranbourne upgrade plan is complete, and a plan for relocating or redeveloping North Melbourne will be in place by 2025.
- We have reduced our net carbon use by 20% and plan to achieve net zero when North Melbourne is relocated or redeveloped.
- We continue to provide a safe and effective work environment.
- We have a cohesive and resilient workplace culture.
- We attract and retain great people who are passionate about animal welfare.
- We have an improved volunteer program and outcomes.
- We are recognised and highly regarded for informing and educating the public on responsible pet ownership and for our role as a fierce animal welfare advocate.
- We are respected as an organisation shifting the dial on cat management in the community.
- We have strong and productive relationships with government, universities/researchers, other animal welfare organisations, and businesses to support our advocacy and thought leadership.
- We celebrate and unleash the power of the human-animal bond for the good of both pets and people.

#### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2024 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 2024 the total amount that members of the Company are liable to contribute if the Company is wound up does not exceed \$22,300.

#### **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



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**Simon Greaves**

Chair

22 October 2024



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**Mitchell Hancock**

Director

22 October 2024

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF THE LOST DOGS' HOME**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2024 there have been: –

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stannards, Accountants & Advisors

A handwritten signature in black ink, appearing to be 'James Dickson', written over a faint circular stamp or watermark.

James Dickson  
Director

Dated: 22 Oct 2024

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## General information

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.

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 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 10 October 2024. 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 2024

	Note	2024	2023
		\$	\$
<b>Revenue and other income</b>			
Revenue from continuing operations	3	13,460,175	12,654,807
Donations income		4,150,317	3,617,156
Gifts in will income		4,039,442	7,574,822
Government grants		-	66,763
Other income	4	931,205	638,317
		<b>22,581,139</b>	<b>24,551,865</b>
<b>Expenses</b>			
Animal welfare expenses		(13,195,603)	(11,907,161)
Fundraising expenses		(2,090,327)	(1,643,625)
Veterinary expenses		(2,680,145)	(2,390,933)
Administration expenses		(6,591,505)	(5,938,736)
		<b>(24,557,580)</b>	<b>(21,880,455)</b>
<b>Surplus/(Deficit) for the year attributable to the members of The Lost Dogs' Home</b>			
		<b>(1,976,441)</b>	<b>2,671,410</b>
<b>Other comprehensive income/(loss)</b>			
<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		697,772	639,618
<b>Other comprehensive income/(loss) for the year</b>		<b>697,772</b>	<b>639,618</b>
<b>Total comprehensive income/(loss) for the year attributable to the members of The Lost Dogs' Home</b>			
		<b>(1,278,669)</b>	<b>3,311,028</b>

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 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	4,933,742	6,373,196
Trade and other receivables	7	1,065,183	1,348,731
Inventories	8	109,772	93,648
Other assets		407,095	488,109
<b>Total current assets</b>		<b>6,515,792</b>	<b>8,303,684</b>
<b>Non-current assets</b>			
Financial assets	9	13,671,320	12,537,631
Intangible assets	10	7,144	11,650
Property, plant and equipment	11	13,130,414	13,011,969
Right of use assets	12	36,828	57,577
<b>Total non-current assets</b>		<b>26,845,706</b>	<b>25,618,827</b>
<b>Total assets</b>		<b>33,361,498</b>	<b>33,922,511</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,926,360	1,364,615
Provisions	14	1,080,927	967,689
Lease liability - Right of use assets	12	11,387	20,452
<b>Total current liabilities</b>		<b>3,018,674</b>	<b>2,352,756</b>
<b>Non-current liabilities</b>			
Provisions	14	242,995	180,734
Lease liability - Right of use assets	12	26,459	36,982
<b>Total non-current liabilities</b>		<b>269,454</b>	<b>217,716</b>
<b>Total liabilities</b>		<b>3,288,128</b>	<b>2,570,472</b>
<b>Net assets</b>		<b>30,073,370</b>	<b>31,352,039</b>
<b>Equity</b>			
Reserves	15	3,346,720	2,774,045
Accumulated surplus		26,726,650	28,577,994
<b>Total equity</b>		<b>30,073,370</b>	<b>31,352,039</b>

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 2024

	<b>Reserves</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>2,145,096</b>	<b>25,895,915</b>	<b>28,041,011</b>
Surplus for the year	-	2,671,410	2,671,410
Other comprehensive income	639,618	-	639,618
<b>Total comprehensive income for the year</b>	<b>639,618</b>	<b>2,671,410</b>	<b>3,311,028</b>
Other equity movements	(10,669)	10,669	-
<b>Balance at 30 June 2023</b>	<b>2,774,045</b>	<b>28,577,994</b>	<b>31,352,039</b>

	<b>Reserves</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>2,774,045</b>	<b>28,577,994</b>	<b>31,352,039</b>
Deficit for the year	-	(1,976,441)	(1,976,441)
Other comprehensive income	697,772	-	697,772
<b>Total comprehensive loss for the year</b>	<b>697,772</b>	<b>(1,976,441)</b>	<b>(1,278,669)</b>
Other equity movements	(125,097)	125,097	-
<b>Balance at 30 June 2024</b>	<b>3,346,720</b>	<b>26,726,650</b>	<b>30,073,370</b>

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 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inc GST)		16,060,578	13,170,288
Payments to employees and suppliers (inc GST)		(25,363,875)	(21,974,298)
		<b>(9,303,297)</b>	<b>(8,804,010)</b>
Donations received		4,150,317	3,617,156
Gifts in wills received		4,039,442	6,235,748
Government grants received		177,329	10,398
Interest received		226,485	96,853
<b>Net cash from/(used in) operating activities</b>		<b>(709,724)</b>	<b>1,156,146</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(1,787,635)	(2,103,065)
Payments for property, plant and equipment		(830,320)	(383,646)
Proceeds from disposal of investments		1,434,348	1,902,438
Dividends received		453,877	399,256
<b>Net cash used in investing activities</b>		<b>(729,730)</b>	<b>(185,018)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,439,454)</b>	<b>971,128</b>
Cash and cash equivalents at the beginning of the financial year		6,373,196	5,402,067
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>4,933,742</b>	<b>6,373,196</b>

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

# Notes to the financial statements

## 1. Material accounting policy information

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.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified 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 and veterinary services

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

#### Seized dog fees

Seized dog fees are daily fees charged for 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.



## 1. Material accounting policy information (continued)

### 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.

### Animal surrender fees

Animal surrender fees are recognised at the point in time when the animal is surrendered to the Home.

### 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 received from Federal and State Government are recognised at the point in time when actual cash is received if there are no performance obligations. If there are performance obligations, then amounts are held as income in advance until the performance obligations are met at which point they are recognised as revenues.

### 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.

### 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.

## 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 if they occur.

### 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.

## 1. Material accounting policy information (continued)

#### (ii) Financial assets measured 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 (FVTOCI)**

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 dividend 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, FVTPL, and FVTOCI. 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.

## 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 expense.

Subsequent expenditures for 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%-12.5%
- Furniture and fittings 6.67-20%
- Motor vehicles 20%
- Plant and equipment 20% - 33.33%

## 2. Material accounting policy information (continued)

### 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.

## 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.

### **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.

### **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

	2024	2023
	\$	\$
<b>Recognised over time</b>		
Council contract fees	7,669,985	6,930,758
Veterinary fees	2,099,880	2,106,285
Seized dog fees	1,728,694	1,681,654
	<b>11,498,559</b>	<b>10,718,697</b>
<b>Recognised at the point in time</b>		
Adoption fees	1,734,315	1,637,959
Merchandise sales	180,096	224,569
Animal surrender fees	34,816	44,276
Behaviour fees	12,389	29,306
	<b>1,961,616</b>	<b>1,936,110</b>
<b>Revenue from continuing operations</b>	<b>13,460,175</b>	<b>12,654,807</b>

### 4. Other income

	2024	2023
	\$	\$
Interest and dividend income	680,362	496,109
Other income	250,843	142,208
	<b>931,205</b>	<b>638,317</b>

Other income includes realised losses associated with investments.

### 5. Other expenses items

Surplus/(deficit) includes the following specific expenses:

	2024	2023
	\$	\$
<b>Depreciation and amortisation expense</b>		
Depreciation expense	711,871	701,101
Amortisation expense	4,506	4,499
<b>Leases</b>		
Short-term lease payments	62,323	34,716
<b>Employee benefits expense</b>		
Employee benefits expense including superannuation	15,312,662	13,340,759

### 6. Cash and cash equivalents

	2024	2023
	\$	\$
<b>Current assets</b>		
Cash on hand	8,173	5,582
Cash at bank	4,925,569	4,867,614
Deposits at call	-	1,500,000
	<b>4,933,742</b>	<b>6,373,196</b>

## 7. Trade and other receivables

	2024	2023
	\$	\$
<b>Current assets</b>		
Trade receivables	1,049,458	1,336,578
Other receivables	15,725	12,153
	<b>1,065,183</b>	<b>1,348,731</b>

Other receivables include the Franks Samways Vet Clinic debtors.

No allowances for doubtful debts were required.

## 8. Inventories

	2024	2023
	\$	\$
<b>Current assets</b>		
Stock on hand - veterinary stock at cost	109,772	93,648

## 9. Financial assets at fair value

	2024	2023
	\$	\$
<b>Non-current assets</b>		
Financial assets measured at fair value through other comprehensive income	7,765,904	6,975,196
Financial assets measured at fair value through profit or loss	5,905,416	5,562,435
	<b>13,671,320</b>	<b>12,537,631</b>

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

	2024	2023
	\$	\$
<b>Software intangibles</b>		
<b>Balance at 1 July</b>	<b>11,650</b>	<b>16,149</b>
Additions	-	-
Amortisation expense	(4,506)	(4,499)
<b>Balance at 30 June</b>	<b>7,144</b>	<b>11,650</b>

## 11. Property, plant and equipment

	2024	2023
	\$	\$
<b>Non-current assets</b>		
Land - at cost	3,703,291	3,703,291
Buildings - at cost	14,329,627	14,329,627
Less: Accumulated depreciation	(6,592,917)	(6,267,067)
	<b>7,736,710</b>	<b>8,062,560</b>
Building improvements - at cost	367,312	232,950
Less: Accumulated depreciation	(28,570)	(11,060)
	<b>338,742</b>	<b>221,890</b>
Furniture and fittings - at cost	1,109,531	1,109,531
Less: Accumulated depreciation	(1,017,958)	(886,501)
	<b>91,573</b>	<b>223,030</b>
Motor vehicles - at cost	657,971	657,971
Less: Accumulated depreciation	(603,664)	(472,185)
	<b>54,307</b>	<b>185,786</b>
Plant and equipment	1,026,333	736,665
Less: Accumulated depreciation	(442,204)	(336,629)
	<b>584,129</b>	<b>400,036</b>
Work in progress	<b>621,662</b>	<b>215,376</b>
	<b>13,130,414</b>	<b>13,011,969</b>

The Land value has been presented on a cost basis in accordance with the Home's accounting policies and relevant Accounting Standards. A valuation of the Home's land holdings was conducted by an independent external expert in June 2022, which indicated the combined value of the Home's sites to be approximately \$70m at the time of the valuation.

### Reconciliations

Fully depreciated fixed assets such 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
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2023</b>	<b>3,703,291</b>	<b>8,062,560</b>	<b>221,890</b>	<b>223,030</b>	<b>185,786</b>	<b>400,036</b>	<b>215,376</b>	<b>13,011,969</b>
Additions	-	-	134,362	-	-	289,668	-	<b>424,030</b>
Net Transfers in/(out)	-	-	-	-	-	-	406,286	<b>406,286</b>
Depreciation expense	-	(325,850)	(17,510)	(131,457)	(131,479)	(105,575)	-	<b>(711,871)</b>
<b>Balance at 30 June 2024</b>	<b>3,703,291</b>	<b>7,736,710</b>	<b>338,742</b>	<b>91,573</b>	<b>54,307</b>	<b>584,129</b>	<b>621,662</b>	<b>13,130,414</b>

## 12. Leases

	2024	2023
<b>Right of use assets</b>	<b>\$</b>	<b>\$</b>
IT equipment	84,244	84,244
Less: Accumulated Amortisation	(47,416)	(26,667)
	<b>36,828</b>	<b>57,577</b>

There were no additions to the right-of-use assets during the year.

The Home presents right-of-use assets as non-current assets. The Home has computer equipment on lease for different lease term periods between three to five years.

These right-of-use assets are amortised on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

	2024	2023
<b>Lease liabilities</b>	<b>\$</b>	<b>\$</b>
Current	11,387	20,452
Non-current	26,459	36,982
	<b>37,846</b>	<b>57,434</b>
<b>Undiscounted value of future lease payments due:</b>	<b>\$</b>	<b>\$</b>
Payable within one year	13,587	22,222
Payable within one to five years	26,685	39,405
Payable after five years	-	-
	<b>40,272</b>	<b>61,631</b>

The Home has computer equipment on lease. The lease contracts are for fixed periods of up to 5 years with an option to renew the lease after that date.

## 13. Trade and other payables

	2024	2023
	<b>\$</b>	<b>\$</b>
<b>Current liabilities</b>		
Trade payables	544,082	592,861
Accruals and other payables	1,382,278	771,754
	<b>1,926,360</b>	<b>1,364,615</b>

## 14. Provisions

	2024	2023
	<b>\$</b>	<b>\$</b>
<b>Current liabilities</b>		
Annual leave	831,807	778,870
Long service leave	249,120	188,819
	<b>1,080,927</b>	<b>967,689</b>
<b>Non-current liabilities</b>		
Long service leave	242,995	180,734
	<b>1,323,922</b>	<b>1,148,423</b>

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

	<b>2024</b>	<b>2023</b>
	\$	\$
Financial asset reserve	779,509	206,834
Strategic initiative reserve	2,567,211	2,567,211
	<b>3,346,720</b>	<b>2,774,045</b>

The Strategic initiatives reserve was 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 to the reserve as at 30 June 2024 due to the deficit result.

## 16. Auditor remuneration

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Audit and review of financial statements</b>		
Auditors of The Lost Dogs' Home – Stannards in 2024 and Grant Thornton Australia in 2023	24,500	54,000

## 17. Contingent liabilities

There were no contingent liabilities identified for the financial year.

## 18. 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:

	<b>2024</b>	<b>2023</b>
	\$	\$
Short-term employee benefits	323,385	257,019
Post-employment benefits	24,943	24,943
	<b>348,328</b>	<b>281,962</b>

### 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.

## Finance facilities

The Home has no bank guarantee facility as at 30 June 2024 (2023: Nil).

## Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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 - Simplified 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 2024 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 declaration is made in accordance with the resolution of the Directors and in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulations 2022.

On behalf of the directors



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**Simon Greaves**

Chair

22 October 2024



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**Mitchell Hancock**

Director

22 October 2024



## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE LOST DOGS' HOME

### Opinion

We have audited the financial report of Lost Dogs' Home (the 'Home'), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and 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 entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB160: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with the 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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lost Dogs' Home, would be in the same terms if given to the directors as at the time of this auditor's report.

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 other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditors' 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 entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards AASB160: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE LOST DOGS' HOME (CONT'D)**

In preparing the financial report, the directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

### **Auditors Responsibilities for the Audit or 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report, represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stannards Accountants and Advisors



James Dickson  
Director

Melbourne, VIC  
Dated: 22 Oct 2024