

**The Royal Society for the Prevention of
Cruelty to Animals New South Wales**

ABN 87 000 001 641

General Purpose Tier 2 Financial Report
(Reduced Disclosure Requirements)

30 June 2015

The Royal Society for the Prevention of Cruelty to Animals New South Wales

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The Royal Society for the Prevention of Cruelty to Animals New South Wales

Directors' report

For the year ended 30 June 2015

The Directors present their report together with the financial report of The Royal Society for the Prevention of Cruelty to Animals New South Wales (the Society) for the financial year ended 30 June 2015 and the auditor's report thereon. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the directors report as follows:

1 Directors

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

Dr Peter Wright, President
Mr Graham Hall, Vice President
Mr Douglas Dean, Treasurer
Ms Wendy Barrett, Director
Mr Andrew Givney, Director
Mrs Dulcie Goldstien, Vice President (resigned: 29 September 2014)
Mr Paul O'Donnell, Director
Mrs Carol Youdan, Director
Ms Sarah Cruickshank, Director
Mr Donald Richmond Robinson (appointed 10 November 2014)

Name and responsibilities

Qualifications, experience and other directorships

Dr Peter Wright
President

Dr P Wright BVSc, Grad Dip Ag Ec - Dr Wright is a veterinarian who runs his own practice at Goulburn, NSW, and treats domestic pets, livestock, wildlife and other exotic species. He has a long involvement with animal care groups, including WIRES, and in assisting the region's local RSPCA inspector.

Mr Graham Hall
Senior Vice President

Mr Hall is a life member of RSPCA NSW and has been an RSPCA board member for 31 years. He is the primary producer and owner of a family property near Young. He breeds Shorthorn Stud cattle, along with sheep and crops.

Mr Paul O'Donnell
Junior Vice President

Mr P O'Donnell LLB (Hons) – Mr O'Donnell was elected to the Board in October 1998. He is a Barrister of the Supreme Court of NSW and is particularly interested in the Society's efforts to respond to animal cruelty.

Mr Douglas Dean
Treasurer

Mr D Dean AM, B Comm, FCPA, FAIM – Mr Dean is Chairman of both Veolia Environment Australia, the Veolia Group in New Zealand, and is the longest-serving CEO in Australia's waste management and industrial services sectors. He is also a director of various other group companies around the world. He is on the Board of Advice for ITLS University of Sydney and is a director of MCA.

Ms Wendy Barrett
Director

Ms W Barrett Exec MBA, B Bus Dip Corporate Director, Grad Dip IR – Ms Barrett is Chairwoman of RSPCA NSW's Animal Welfare Policy Committee and is a member of the Animal Care and Ethics Committee at the University of Western Sydney. She has previously held the role of president of RSPCA Auxiliary and has a special interest in progressing animal welfare, animal care and ethics. She is also the business manager for Transport for NSW.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Directors' report (continued)

For the year ended 30 June 2015

1 Directors (continued)

Name and responsibilities

Mrs Carol Youdan

Director

Qualifications, experience and other directorship

Mrs C Youdan OAM – Mrs Youdan was elected to the Board in 1996. She first joined the RSPCA through the Taree Volunteer Branch in 1979, where she held all of the branch positions at some point during her time there. This included five years as a voluntary branch inspector at a time when the nearest inspector was over three hours away. She was awarded the Order of Australia Medal for service to the community through the RSPCA in 2001, and was granted RSPCA Honorary Life Membership in 2007.

Ms Sarah Cruickshank

Director

Ms Cruickshank is a Senior Executive for the Australian Public Service and has amassed two decades of experience in policy development, advocacy and strategic communications. Prior to this, she spent 10 years in a national public affairs company, the last five years of which she was Managing Director. Throughout her life, she has been the proud owner of several shelter cats and dogs, and is passionate about protecting the interests of vulnerable animals in our society.

Mr Andrew Givney

Director

Mr Givney was elected to the Board in 2010. He has worked as a barrister-at-law since 1987, following his retirement as a partner in a solicitors' practice.

Mr Donald Richmond Robinson

Director

Appointed 10 November 2014

Mr Robinson joined the Board in November 2014. Born in Young in NSW, he had a varied career before joining the NSW Police in 1971. He served in small rural communities across the state for 23 years, but resigned to take up the position of Chief Inspector for RSPCA NSW. He served for eight years, before becoming RSPCA NSW Manager of Branches and Properties. He is keenly interested in all facets of the RSPCA, but particularly in the branches and their operations. As an RSPCA Australia farm assessor, he carried out inspections of piggeries accredited under the Approved Farming Scheme. In 2012, Mr Robinson retired to a 60-acre farm in Grenfell in the mid-West NSW, where he now runs a few cattle and an alpaca.

Mrs Dulcie Goldstien

Vice President

Resigned: 29 September 2014

Mrs Goldstein retired from the Board in September 2014. Her father was a farrier and blacksmith in South Africa, and during her youth, she shared her life with many farm and domestic animals which were cared for by her family. Today, her life continues to be dominated by animals. As a director of Annangrove Dog Training, her greatest joy is to work with and rehabilitate dogs. She has also had the opportunity to teach children the correct ways to treat animals, which has always given her immense enjoyment. She was granted Honorary Life Membership of RSPCA NSW in 1979 and has always been proud to support the organisation.

Company secretary

Mr Steve Coleman

GDip of Inv Mgt, MBA - Mr Coleman is the Chief Executive Officer of RSPCA NSW and the Society secretary. He joined RSPCA NSW as an inspector in 1991, and has contributed to animal welfare in many ways, including sitting on numerous government and industry committees and advisory councils, including the Animal Welfare Advisory Council that reports directly to the Minister for Primary Industries.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Directors' report (continued)

For the year ended 30 June 2015

2 Director's meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Society during the financial year are:

Director	Board meetings	
	Attended	Entitled
Dr Peter Wright, President	6	6
Mr Graham Hall, Senior Vice President	6	6
Mr Paul O'Donnell, Junior Vice President	5	6
Mr Douglas Dean, Treasurer	6	6
Ms Wendy Barrett, Director	6	6
Mr Andrew Givney, Director	6	6
Mrs Dulcie Goldstien, Vice President	1	1
Mrs Carol Youdan, Director	6	6
Ms Sarah Cruickshank, Director	4	6
Mr Donald Richmond Robinson	3	4
Mr Steve Coleman (Company Secretary)	6	6

3 Principal activities, objectives and strategies

The principal activity of the Society in the course of the financial year was the prevention of cruelty to animals through the activities of the inspectorate and the operation of shelters, clinics, and the sale of animals and associated products.

There were no significant changes in the nature of the activities of the Society during the year.

Short-term objectives and strategies

- Improve animal outcomes;
- Provide a safe and happy work environment;
- Exceed supporters' satisfaction;
- Increase the number of financial supporters;
- Increase income; and
- Maintain vigilance on cost control.

Long-term objectives and strategies

- Continuous investment in fundraising;
- Grow our volunteer network;
- Continue focus on cruelty prevention;
- Educate the community on the importance of animal welfare;
- Invest in rehoming and reduction in length of stay strategies; and
- Partner with government, local councils and industry for the betterment of animals.

Measures of performance

A key performance indicator tool has been developed during the year to monitor the progress of the above strategies with updates at each month-end. Wherever feasible, measurable metrics have been expressed in conventional units of measurement. Other results have been given in the affirmative for a successful outcome and in the negative where we have not been successful.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Directors' report (continued)

For the year ended 30 June 2015

4 Membership liability

The Society is a public company limited by guarantee. There is no liability of any member under the guarantee should the Society be wound up.

5 Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Society, the results of its operations, or the state of affairs of the Society in future financial years.

6 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the financial year ended 30 June 2015.

This report is made in accordance with a resolution of the Directors:



Dr Peter Wright
President



Mr Douglas Dean
Treasurer

Dated at Sydney this 15th day of October 2015

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of The Royal Society for the Prevention of Cruelty to Animals New South Wales

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG



Cameron Roan

Partner

Sydney

15 October 2015

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

<i>In AUD</i>	Note	2015	2014
Revenue	4(a)	35,661,373	31,966,076
Operating expenses	5	(47,366,011)	(48,102,893)
Deficit before legacies and grants		<u>(11,704,638)</u>	<u>(16,136,817)</u>
Legacies	4(b)	15,395,482	16,607,998
Government grants	4(b)	502,645	806,062
Surplus before income tax		<u>4,193,489</u>	<u>1,277,243</u>
Income tax expense	3(h)	-	-
Surplus for the year		<u>4,193,489</u>	<u>1,277,243</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value gain on available-for-sale financial assets		<u>1,721,417</u>	<u>4,152,217</u>
Total comprehensive income for the year		<u>5,914,906</u>	<u>5,429,460</u>

The notes on pages 11 to 27 are an integral part of these financial statements.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Statement of financial position

As at 30 June 2015

In AUD

	<i>Note</i>	2015	2014
Assets			
Cash and cash equivalents	6	10,462,136	9,668,455
Trade and other receivables	7	3,826,527	2,489,535
Inventories	8	696,161	836,221
Other assets	9	251,185	203,000
Financial assets	11	6,000,000	-
Assets classified as held for sale	10	-	3,499,031
Total current assets		<u>21,236,009</u>	<u>16,696,242</u>
Financial assets	11	38,091,537	41,437,406
Property, plant and equipment	13	47,408,033	43,702,852
Investment properties	12	2,098,304	2,166,304
Total non-current assets		<u>87,597,874</u>	<u>87,306,562</u>
Total assets		<u>108,833,883</u>	<u>104,002,804</u>
Liabilities			
Trade and other payables	14	4,556,348	5,279,547
Provisions	15	3,683,120	4,024,312
Total current liabilities		<u>8,239,468</u>	<u>9,303,859</u>
Provisions	15	263,041	282,477
Total non-current liabilities		<u>263,041</u>	<u>282,477</u>
Total liabilities		<u>8,502,509</u>	<u>9,586,336</u>
Net assets		<u>100,331,374</u>	<u>94,416,468</u>
Members' equity and specific funds			
Specific funds	16	347,748	347,748
Accumulated funds	17	87,976,221	83,782,732
Reserves	18	12,007,405	10,285,988
Total equity and funds		<u>100,331,374</u>	<u>94,416,468</u>

The notes on pages 11 to 27 are an integral part of these financial statements.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Statement of changes in equity

For the year ended 30 June 2015

<i>In AUD</i>	Specific funds	Revaluation reserve	Accumulated funds	Total
Balance at 1 July 2013	346,748	6,133,771	82,506,489	88,987,008
Surplus for the year	-	-	1,277,243	1,277,243
Change in fair value of available for sale assets	-	4,152,217	-	4,152,217
Total comprehensive income for the year	-	4,152,217	1,277,243	5,429,460
Movement in specific funds	1,000	-	(1,000)	-
Balance at 30 June 2014	347,748	10,285,988	83,782,732	94,416,468
Balance at 1 July 2014	347,748	10,285,988	83,782,732	94,416,468
Surplus for the year	-	-	4,193,489	4,193,489
Change in fair value of available for sale assets	-	1,721,417	-	1,721,417
Total comprehensive income for the year	-	1,721,417	4,193,489	5,914,906
Movement in specific funds	-	-	-	-
Balance at 30 June 2015	347,748	12,007,405	87,976,221	100,331,374

The notes on pages 11 to 27 are an integral part of these financial statements.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Statement of cash flows

For the year ended 30 June 2015

<i>In AUD</i>	2015	2014
Cash flows from operating activities		
Receipts from members and customers	23,820,811	22,900,790
Payments to suppliers and employees	(46,336,636)	(43,775,585)
Donations received	4,175,900	3,929,401
Legacies received	13,626,240	15,713,895
Government subsidy	502,645	806,062
Net cash from operating activities	<u>(4,211,040)</u>	<u>(425,437)</u>
Cash flows from investing activities		
Rent received	353,688	667,108
Interest received	546,219	482,002
Dividends received	669,138	2,112,726
Proceeds from the sale of held for sale assets	9,261,260	-
Proceeds from the sale of property, plant and equipment	4,623,517	10,734,490
Payment for investment securities	-	(1,878,039)
Payment for property, plant and equipment	(10,449,101)	(8,190,790)
Net cash used in investing activities	<u>5,004,721</u>	<u>3,927,497</u>
Net increase in cash and cash equivalents	793,681	3,502,060
Cash and cash equivalents at beginning of year	9,668,455	6,166,395
Cash and cash equivalents at end of year	<u>10,462,136</u>	<u>9,668,455</u>

The notes on pages 11 to 27 are an integral part of these financial statements.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements

For the year ended 30 June 2015

1 Reporting entity

The Royal Society for the Prevention of Cruelty to Animals New South Wales (the "Society") is a public company limited by guarantee and is recognised as a Charitable Institution domiciled in Australia. The address of the Company's registered office is 201 Rookwood Road, Yagoona NSW 2199. The financial statements are as at and for the year ended 30 June 2015. The Society is a not-for-profit entity.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the directors, the company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue by the Board of Directors on 15 October 2015.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value. The fair value of available-for-sale financial assets is determined by reference to their quoted closing exit bid price at the reporting date.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Society's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

It was concluded that judgements made by management on the application of Australian Accounting Standards did not have a significant effect on the financial report. No estimates with a significant risk of material adjustment in the next year were noted.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Branch accounts

The financial statements comprise the accounts of the Society and all its Branches. The financial statements are inclusive of Branch balances at balance date and transactions during the year, after elimination of balances and transactions between Branches and Head Office. A listing of branches is shown in note 22.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(b) Financial instruments

The Society classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Society classifies non-derivative financial liabilities into the other financial liabilities category.

(i) *Non-derivative financial assets and financial liabilities – recognition and derecognition*

The Society initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Society derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Society is recognised as a separate asset or liability.

The Society derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Society classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

(ii) *Non-derivative financial assets – measurement*

Held-to-maturity financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Society's cash management.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in OCI and accumulated in the revaluation reserve. When these assets are derecognised, the gain or loss in equity is reclassified to profit or loss.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Society.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Society will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative year are as follows:

	2015	2014
• Buildings	20 years, or lease term	20 years, or lease term
• Animal shelters	20 - 50 years, or lease term	20 - 50 years, or lease term
• Motor vehicles	5 years	5 years
• Plant, furniture and equipment	3-10 years	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(d) Impairment (continued)

(i) *Non-derivative financial assets (continued)*

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Society on terms that the Society would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Society considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

The Society considers evidence of impairment for financial assets measured at both a specific asset and a collective level. All individually significant assets are assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Society uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Society considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss recognised previously in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss, otherwise, it is reversed through OCI.

(ii) *Non-financial assets*

At each reporting date, the Society reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(d) Impairment (continued)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. In respect of CGUs, they are allocated to reduce the carrying amounts of assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Other long-term employee benefits

The Society's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(f) Leases

(i) Leased assets

Assets held by the Society under leases which transfer to the Society substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Society's statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(g) Revenue

Revenue is recognised at the fair value of the consideration received or receivable when the Society is legally entitled to receive it. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is recognised for the major business activities as follows:

(i) *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, Revenue is measured net of returns, trade discounts and volume rebates.

(ii) *Rendering of services*

The Society is involved in the provision of veterinary services and related services. The Society recognises revenue from rendering of services when the services has been performed.

(iii) *Legacies and bequests*

Legacies are recognised when the Society obtains control of the contribution or the right to receive the contribution, which is the earlier of receipt of funds or notification by the Executor of uncontested entitlement.

Revenues from legacies comprising bequests of property or shares are recognised at fair value, being the market value of the property at the date the Society becomes legally entitled to the property. Subsequently, these assets are measured in accordance with the accounting policies adopted by the Society for that type of asset.

(iv) *Donations and fundraising*

Donations and fundraising income are recognised when received. The Society conducts a number of fundraising appeals throughout the year.

The Royal Society for the Prevention of Cruelty to Animals New South Wales has implemented systems of control to ensure the monies received at its offices are properly recorded in the accounting records.

(v) *Contributions received / receivable*

Contributions received or receivable are recognised as revenue when RSPCA (NSW) obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

(vi) *Interest, dividends and distributions*

Interest income is recognised as it accrues. Dividends and distributions are recognised as revenue when the right to receive payment is established.

(vii) *Government grants*

Grants and subsidies from governments are recognised at their fair value in the period in which the services are provided, having regard to the stage of completion of the service obligations, where a performance and return obligation exists. Where no such obligation exists, the grants are recognised when the right to receive the grant is established as contributions received/receivable (refer to g(v)).

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(g) Revenue (continued)

(viii) *Royalties*

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(ix) *Rental income*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. However, contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined.

(h) Income tax

The Society is an income tax exempt charity endorsed by the Australian Taxation Office.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

(j) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

(k) Investment property

Investment properties are properties held to earn rentals and/or capital appreciation. Where such property is acquired by legacy, investment properties are measured initially at deemed cost (being fair value as per note 3(g)(iii), including transaction costs. Subsequent to initial recognition, investment properties are measured at cost.

Depreciation is provided on investment properties, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period. For the buildings, a useful life of 20 years is used in the calculation of depreciation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(l) Specific funds

Income and expenditure relating to Specific Funds is brought to account through the Statement of Profit or Loss and Other Comprehensive Income. An amount equivalent to the income and expenditure is transferred to/from the Specific Fund from/to Accumulated funds. Capital expenditure incurred within the terms of the Specific Funds is capitalised in the financial statements of the Society as property, plant and equipment and depreciated accordingly. An amount equivalent to the expenditure is transferred from the Specific Fund to Accumulated funds.

(m) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

4 Revenue

<i>In AUD</i>	2015	2014
(a) Operating revenue		
Donations	4,175,900	3,929,401
Interest received on term deposits and available-for-sale financial assets	546,219	482,002
Dividends received on available-for-sale financial assets	2,280,382	2,112,726
Royalty	121,101	124,446
Profit on sale of property	6,260,382	3,210,535
Membership subscriptions	57,274	44,701
Fees for service – animals	8,752,852	9,032,682
Sale of goods	1,632,439	1,726,933
Sale of animals	2,007,843	2,169,753
Rent	353,688	667,108
Court fines and costs	262,117	158,987
Fundraising	8,497,811	7,076,450
Sundry income	713,365	1,230,352
	<u>35,661,373</u>	<u>31,966,076</u>
(b) Other revenue		
Legacies	15,395,482	16,607,998
Government grants - animal welfare services	502,645	806,062
	<u>15,898,127</u>	<u>17,414,060</u>

5 Operating expenses

<i>In AUD</i>	2015	2014
<i>An analysis of the Society's operating expenses for the year, is as follows:</i>		
Salaries and wages expense	23,618,511	24,445,582
Contributions to defined superannuation contribution plans	1,936,754	2,071,783
Depreciation of non-current assets	2,686,556	2,795,886
Losses on sale of investments	7,802	6,100
Bad debts written off	-	-
Impairment loss on available-for-sale financial assets	678,530	262,342
Impairment loss on investment properties	-	240,875
Administration expenses	5,267,625	4,719,709
Animal related expenses	4,462,646	4,470,835
Purchase of merchandise	802,268	904,891
Repairs and maintenance	625,313	1,086,987
Fundraising expenses	4,144,591	3,727,744
Occupancy expenses	823,047	817,954
Other expenses	2,312,368	2,552,205
	<u>47,366,011</u>	<u>48,102,893</u>

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

6 Cash and cash equivalents

<i>In AUD</i>	2015	2014
Cash at bank	10,422,460	9,630,542
Cash on hand	39,676	37,913
	<u>10,462,136</u>	<u>9,668,455</u>

7 Trade and other receivables

<i>In AUD</i>	2015	2014
Trade receivables	2,290,969	2,671,521
Bequests receivable	1,769,242	40,000
Allowance for doubtful debts	(233,684)	(221,986)
	<u>3,826,527</u>	<u>2,489,535</u>
<i>Allowance for doubtful debts</i>		
Opening balance	221,986	276,926
Impairment losses recognised on receivables	11,698	-
Amounts recovered	-	(54,940)
Closing balance	<u>233,684</u>	<u>221,986</u>

The average credit period on sale of goods is 30 days. No interest is charged on the overdue trade receivables. Allowances for doubtful debts are recognised against trade receivables based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

8 Inventories

<i>In AUD</i>	2015	2014
Finished goods	<u>696,161</u>	<u>836,221</u>

9 Other assets

<i>In AUD</i>	2015	2014
Prepayments	<u>251,185</u>	<u>203,000</u>

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

10 Assets classified as held for sale

<i>In AUD</i>	2015	2014
Freehold land held for sale	-	1,457,844
Buildings held for sale	-	2,041,187
	<u>-</u>	<u>3,499,031</u>

Land and buildings held for sale at 30 June 2014 were subsequently sold by the Society during the year ended 30 June 2015. A profit on sale of these assets has been recognised in the statement of profit or loss and other comprehensive income of \$5,912,975.

11 Financial assets

<i>In AUD</i>	2015	2014
Current		
Held to maturity financial assets		
Term deposits (> 3 months maturity)	6,000,000	-
	<u>6,000,000</u>	<u>-</u>
Non-current		
Available for sale investments carried at fair value		
Shares held at market value	37,289,062	40,480,510
Unlisted trusts and shares at market value	802,475	956,896
	<u>38,091,537</u>	<u>41,437,406</u>

The carrying value of financial assets approximate their fair value. Fair value is determined with reference to quoted market prices.

12 Investment properties

<i>In AUD</i>	2015	2014
Investment properties at cost	<u>2,098,304</u>	<u>2,166,304</u>

Investment properties are held at cost less accumulated depreciation and accumulated impairment losses.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

13 Property, plant and equipment

<i>In AUD</i>	Capital works in progress at cost \$	Land at cost \$	Buildings at cost \$	Animal shelters at cost \$	Motor vehicles at cost \$	Plant furniture and equipment at cost \$	Total \$
Cost							
Balance at 1 July 2014	4,188,664	2,079,504	970,249	37,661,433	4,329,968	7,944,187	57,174,004
Additions	5,264,161	-	-	-	4,680,964	503,976	10,449,101
Transfers	(6,684,880)	-	-	6,448,588	-	236,292	-
Disposals	(475,307)	-	-	-	(4,576,060)	(297,092)	(5,348,459)
Balance as at 30 June 2015	2,292,638	2,079,504	970,249	44,110,021	4,434,872	8,387,363	62,274,646
Accumulated depreciation and impairment losses							
Balance at 1 July 2014	-	-	(675,339)	(7,455,536)	(666,509)	(4,673,768)	(13,471,152)
Disposals	-	-	-	-	889,294	252,288	1,141,582
Depreciation for the year	-	-	(16,293)	(897,791)	(872,542)	(750,417)	(2,537,043)
Balance as at 30 June 2015	-	-	(691,632)	(8,353,327)	(649,757)	(5,171,897)	(14,866,613)
Carrying amount							
At 1 July 2014	4,188,664	2,079,504	294,910	30,205,897	3,663,458	3,270,419	43,702,852
At 30 June 2015	2,292,638	2,079,504	278,617	35,756,694	3,785,114	3,215,466	47,408,033

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

14 Trade and other payables

<i>In AUD</i>	2015	2014
Trade payables	2,251,226	2,474,957
Other payables and accruals	2,305,122	2,804,590
	<u>4,556,348</u>	<u>5,279,547</u>

15 Provisions

<i>In AUD</i>	2015	2014
Current		
Employee benefits	3,683,120	3,724,312
Lease make good	-	300,000
	<u>3,683,120</u>	<u>4,024,312</u>
Non-current		
Employee benefits	<u>263,041</u>	<u>282,477</u>

16 Specific funds

<i>In AUD</i>	2015	2014
RSPCA DiDi Redford Memorial Trust Fund	345,248	345,248
The Winifred & Maurice Neirous Trust Fund	2,500	2,500
	<u>347,748</u>	<u>347,748</u>

(a) RSPCA DiDi Redford Memorial Trust Fund

The Fund was established to pay for surgery on cruelty cases, injured strays and unwanted animals.

Balance at end of year	<u>345,248</u>	<u>345,248</u>
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This fund is currently frozen, it is proposed to review with the trustees how to best apply this money. There are allocations in the current shelter and veterinary budgets to provide the services targeted in this trust fund.

(b) The Winifred and Maurice Neirous Trust Fund

The Fund was established to assist in the purchase of medicines for RSPCA animals from the income earned.

Balance at end of year	<u>2,500</u>	<u>2,500</u>
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Interest has not been accrued for the above specific funds as those funds are not in operation during this financial year.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

17 Accumulated funds

<i>In AUD</i>	2015	2014
Balance at beginning of financial year	83,782,732	82,506,489
Surplus for the year	4,193,489	1,277,243
Movement in specific funds	-	(1,000)
Balance at end of financial year	<u>87,976,221</u>	<u>83,782,732</u>

18 Reserves

<i>In AUD</i>	2015	2014
<i>Available for sale asset revaluation reserve</i>		
Balance at beginning of financial year	10,285,988	6,133,771
Net valuation adjustment recognised	1,721,417	4,152,217
Balance at end of financial year	<u>12,007,405</u>	<u>10,285,988</u>

The available-for-sale asset revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of the amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

19 Operating leases

<i>In AUD</i>	2015	2014
Leases as lessee		
Non-cancellable operating lease commitments are payable as follows:		
Less than one year	225,535	284,816
Between one and five years	554,904	32,309
Greater than five years	8,166	-
	<u>788,605</u>	<u>317,125</u>

Operating leases relate to leased premises at Yagoona, Rouse Hill, Tuggerah, Broken Hill, Woy Woy, Tighes Hill and Port Macquarie. The leases are for differing terms in accordance with the contractual agreements. The Society does not have an option to purchase the leased assets at the expiry of the lease periods.

20 Capital and other commitments

<i>In AUD</i>	2015	2014
Capital expenditure commitments		
<i>Contracted but not provided for</i>		
Shelters	<u>852,773</u>	<u>4,916,580</u>

The Society is in the process of a multi-staged re-development of the Yagoona Shelter. The above capital commitments are in the relation to the contracted costs at year end in relation to the re-development.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

21 Charitable Fundraising Act 1991

The following additional information is provided in accordance with the requirements of the above Act.

(a) Fundraising appeals

Head Office and Branches have conducted various fundraising appeals during the year. Details of aggregate gross income and total expenses of fundraising appeals, as disclosed in these financial statements were as follows:

<i>In AUD</i>	2015	2014
Gross proceeds from the fundraising appeals		
Head office		
Donations	4,064,389	3,792,940
Fundraising	8,218,471	6,820,711
Branches		
Donations	111,511	136,461
Fundraising	279,340	255,739
Gross proceeds from fundraising appeals	<u>12,673,711</u>	<u>11,005,851</u>
Cost of fundraising appeals		
Head office	(4,110,722)	(3,676,691)
Branches	(33,869)	(51,053)
Total costs of fundraising appeals	<u>(4,144,591)</u>	<u>(3,727,744)</u>
Net surplus obtained from fundraising	<u>8,529,120</u>	<u>7,278,107</u>

Fundraising from cash donations and cash legacies are generally conducted on an honorary basis by members of the Society supported by officers who are employed for specific inspectorial, veterinary or other necessary administrative purposes.

(b) Fundraising appeals conducted during the financial period comprise: Appeals, raffles, stalls, social functions

	2015	2014
(c) Statement showing how funds received were applied to charitable purposes		

Net surplus from fundraising appeals	8,529,120	7,278,107
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Net surplus was applied to the charitable purpose in the following manner:

Funding RSPCA Inspectors	(5,708,830)	(5,450,273)
Animal shelter facilities for stray, abandoned and abused animals	(15,792,084)	(16,750,532)
Veterinary clinic services	(10,018,431)	(10,851,694)
Expenditure on support services	(15,037,738)	(13,941,613)
Shortfall	<u>(38,027,963)</u>	<u>(39,716,005)</u>
Government grant	502,645	806,062
Legacies	15,395,482	16,607,998
Investment income	2,947,702	2,719,174
Fees for service - animals	8,752,852	9,032,682
Other income - gross	11,287,108	9,208,369
Total income from other sources	<u>38,885,789</u>	<u>38,374,285</u>

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

22 Related parties

(a) Transactions with key management personnel

(i) *Key management personnel compensation*

During the financial year the Society has not compensated or agreed to compensate any director of the Society.

The key management personnel compensation was \$1,451,447 for the year ended 30 June 2015 (2014: \$1,504,715).

(ii) *Key management personnel and director transactions*

During the year the Society acquired legal services from Mr Paul O'Donnell to the value of \$83,820 (2014: \$135,520) at arms length commercial rates. Mr Paul O'Donnell is a Director of the Society. There was an outstanding balance of \$28,380 owing to Mr O'Donnell at 30 June 2015 (2014: \$(3,080) owing to the Society).

During the year the Society acquired veterinary and consulting services from Dr Peter Wright to the value of \$840 (2014: \$200) at arms length commercial rates. Dr Peter Wright is a Director of the Society. There were no balances outstanding to Dr Wright at 30 June 2015 (2014: \$nil).

During the year the Society acquired waste disposal services with Veolia Environmental Services (Australia) Pty Ltd of \$4,724 (2014: \$1,700) at arms length commercial rates. Mr Doug Dean is a Director of the Society and is the Chairman of Veolia Environmental Services (Australia) Pty Ltd. There was an outstanding balance of \$215 owing to Veolia Environmental Services (Australia) Pty Ltd at 30 June 2015 (2014: \$151).

During the year the Society incurred costs reimbursed to directors for attendance of board meetings of \$12,065 (2014: \$19,524) at arms length commercial rates. There was no balances outstanding to the board of directors at 30 June 2015 (2014: nil).

All other transactions between the Society and its key management personnel in the ordinary course of business have been conducted on an arms length basis.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Notes to the financial statements (continued)

For the year ended 30 June 2015

22 Related parties (continued)

(b) Branches

Albury
Armidale
Bathurst
Blue Mountains
Broken Hill
Central Coast
Cobar
Cooma
Eurobodalla
Glen Innes
Goulburn and Southern Highlands
Gunnedah
Illawarra
Inverell
Kempsey
Moree
Mudgee and District
Nowra
Orange
Port Macquarie
Sapphire Coast
Tamworth
Taree
Tenterfield
Tweed Shire
Ulladulla and District
Wagga Wagga
New South Wales Auxiliary

23 Contingent liabilities

In the ordinary course of operations, the Society receives claims against it which may involve litigation. Where the outcome is probable and can be reasonably quantified, provision is made in these financial statements.

24 Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Society's financial statements at 30 June 2015.

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Directors' declaration

In the opinion of the directors of The Royal Society for the Prevention of Cruelty to Animals New South Wales ('the Society'):

- (a) the Society is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 7 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Society's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Dr Peter Wright
President



Mr Douglas Dean
Treasurer

Dated at Sydney this 15th day of October 2015

The Royal Society for the Prevention of Cruelty to Animals New South Wales

Declaration by Executive Officer in accordance with the Charitable Fundraising Act (NSW) 1991

For the year ended 30 June 2015

I, Steve Coleman, Chief Executive Officer, of The Royal Society for the Prevention of Cruelty to Animals New South Wales, state that in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of The Royal Society for the Prevention of Cruelty to Animals New South Wales with respect to fundraising appeal activities for the financial year ended 30 June 2015;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2015;
- (c) the provisions of the *Charitable Fundraising Act 1991 and Regulations* and the conditions attached to the authority have been complied with for the financial year ended 30 June 2015; and
- (d) the internal controls exercised by The Royal Society for the Prevention of Cruelty to Animals New South Wales are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Steve Coleman
Chief Executive Officer

Dated at Sydney this 15th day of October 2015



Independent auditor's report to the members of The Royal Society for the Prevention of Cruelty to Animals New South Wales

Report on the financial report

We have audited the accompanying financial report of The Royal Society for the Prevention of Cruelty to Animals New South Wales (the Society), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 24 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Society.

This audit report has also been prepared for the members of the Society pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Society are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation of the financial report that [gives a true and fair view/is fairly presented] 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, which is consistent with our understanding of the Society's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Society to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

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

Independent auditor's report to the members of The Royal Society for the Prevention of Cruelty to Animals New South Wales (continued)

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

Independence

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

Auditor's opinion

In our opinion, the financial report of The Royal Society for the Prevention of Cruelty to Animals New South Wales is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Society's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

In our opinion:

- (a) the financial report gives a true and fair view of The Royal Society for the Prevention of Cruelty to Animals New South Wales' financial result of fundraising appeal activities for the financial year ended 30 June 2015;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2014 to 30 June 2015, in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2014 to 30 June 2015 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*; and
- (d) there are reasonable grounds to believe that The Royal Society for the Prevention of Cruelty to Animals New South Wales will be able to pay its debts as and when they fall due.



KPMG



Cameron Roan
Partner

Sydney
15 October 2015