



2018 - 2019
ANNUAL REPORT

*Pictured: Beetle, 94 days in care
On the cover: Mitsy, 284 days in care*

TABLE OF CONTENTS

04 ▲ Letter from the President

06 ▲ Letter from the CEO

08 ▲ Animal Statistics

12 ▲ Happy Tails

14 ▲ Sponsors

16 ▲ Supporters

18 ▲ Major Donors

20 ▲ Financial Report

LETTER FROM THE PRESIDENT

JEFFREY BUTLER

Members, Supporters, Volunteers and Staff,

I am pleased to report to you on the activities of RSPCA ACT for Financial Year 2018-2019. It has been a period of consolidation as we plan for the future, and ensuring our finances allow us to continue to achieve our mission.

We welcomed our new CEO, Michelle Robertson, to the organisation in August 2018. Michelle very quickly made her mark on the organisation, and set about working with the Board on our strategic plan. Michelle led the staff and the organisation through our organisational response to the ACT Government's proposed new animal welfare legislation, to ensure that we are able to protect those animals that rely upon us.

We were also very successful in obtaining financial support from the ACT Government to fund some urgently needed upgrades, and to provide seed funding to Project Home, our project to ensure that our future facilities remain fit for purpose and can support our key animal welfare objectives.

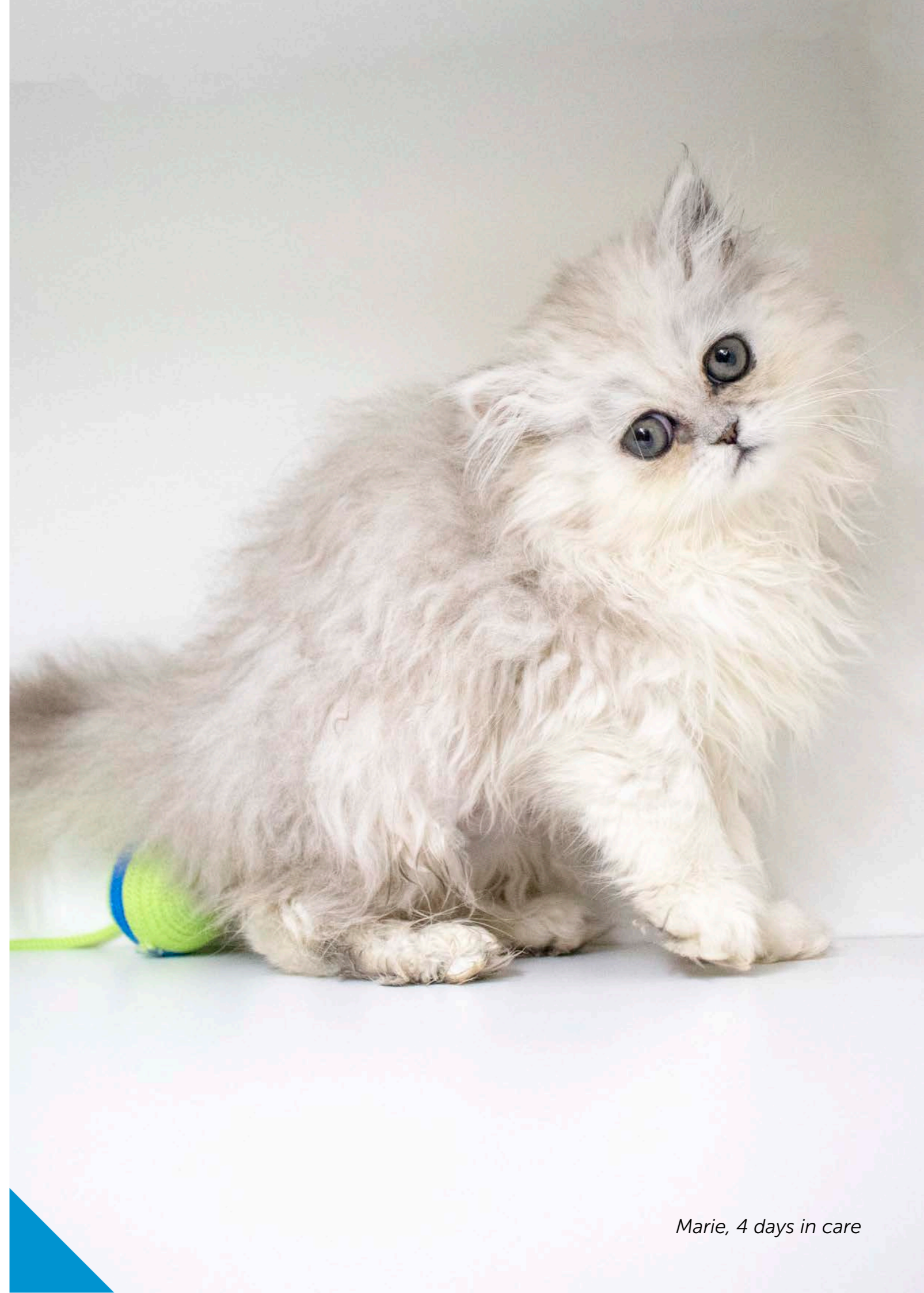
By changing our operating model, we have been able to secure additional veterinarian staff hours during the year, which has allowed us to re-open our public clinic on a limited basis. Whilst availability of veterinarians across the country remains a challenge, this small step has allowed us to continue de-sexing programs as well as supporting lower income clients. We have also been able to establish solid working relationships with local providers, to further our de-sexing initiatives.

We have had a very successful year financially, achieving a net surplus for the year of \$202,084. This was even more remarkable when it is considered that we went into the year with a deficit budget. A large part of this surplus was achieved through our ability to continue to reduce costs without sacrificing the services that we provide, and the generosity of our donors. This year we received donations of \$1,270,317, and bequests totalling \$511,676. While both these figures were down on the previous financial year, we continue to receive good support through our regular giving and bequest programs and will be looking to place more focus on these in the future.

Sadly, this will be my last RSPCA ACT annual report as President, as my term is ending as I approach the end of my third term as an elected Director, and will not be eligible for re-election. I wish the new President, Alexandra Wedutenko, and the members of the Board the very best. Ours is a fantastic organisation that is well regarded, and well supported, by our donors, volunteers and the broader community.



Jeffrey Butler
President



Marie, 4 days in care

LETTER FROM THE CEO

MICHELLE ROBERTSON

Nearly one year into my role as CEO of the RSPCA ACT, I can clearly see that if the African proverb teaches that it takes a village to raise a child, it certainly takes a community to run our Shelter.

And this is why at the onset of my message, I want to thank our community for their tangible and ongoing love and support. It is this ongoing support that fuels us to be able to report big wins for animal welfare in the ACT.

Thank you to our voluntary Board of talented and passionate Directors for their guidance and leadership as we chart a steady course towards becoming a more sustainable organisation.

Thank you to the dedicated staff and volunteers for being the arms, legs and heartbeat of the RSPCA ACT and for making sure we are able to care for all our shelter creatures great and small every single day of the year.

To our donors, sponsors and financial supporters: we would not be able to do our work if not for you. Thank you for allowing us to be the voice and loving hands for the animals in our community.

Donations, fundraising and other gifts contributed more than 54% of our operating costs during this last financial year. Your donations and gifts are crucial to our survival and every dollar you contribute, goes directly into animal welfare and care.

We appreciate the platforms that the ACT media, social media supporters and our advocates provide to tell our stories and to be able to connect

more widely with our community. Thank you for amplifying our message.

Everything we do is centred around achieving ambitious animal welfare outcomes, which includes sheltering, but also creating awareness, education and early intervention, strong advocacy and of course, matchmaking.

As a team, we push ourselves and stretch our limited resources to be the best animal-human matchmakers possible. For us, it is not simply about adopting animals out, but finding the RIGHT forever home.

Over this past 2018-2019 Financial Year, one of our proudest Shelter achievements is the continued high homing rates of canines and felines in care. This is largely due to continuous improvements in our rehabilitation and care models.

With nearly 200 animals in our care at any given time, vast amounts of time and effort is expended to ensure our shelter is healthy, and that we can give the best possible veterinary care to animals who need it.

Since 1 July 2018, we have found loving homes for 1,871 animals and reunited 446 animals with their owners. I am proud to say that we have also been able to provide free crisis relief and emergency boarding facilities to 43 different animals whose humans were not able to take care of them for a period of time due to trauma, crisis or illness.

Our small, but dedicated inspectorate team investigated 1,053 animal complaints. Although some of these investigations do lead to

prosecutions, true to our mission, our first intent is to work in, and with the community to prevent cruelty to animals. We take these opportunities to educate and inform Canberrans on how to be more caring and responsible pet owners, and where necessary and possible, we offer a helping hand for pet owners who are doing it tough.

I am pleased to report that during this reporting period we have reopened our Veterinary Clinic to members of the public in a limited capacity, catering especially to low-income pet owners to have their pets desexed or vaccinated. During this last year we performed 1,951 surgeries of which 516 were for non-shelter animals.

In the past we have struggled to provide this service to the public and this was one of the first areas I worked with the team to bring back to the community.

The 2019 Million Paws Walk was a great day out, with 3,396 tickets sold. I was thrilled to witness and be part of the great spectacle of every variety of dog: small and large, furry and fluffy all walking around Lake Burley Griffin on a beautiful autumn day.

These great outcomes have been achieved, despite our facilities. We are housed in facilities that were not purpose built and which do not enable us to do our work. We welcomed government support to develop a business case to find a sustainable solution for our facilities.

As you page through this report, I invite you to review our infographics and our annual statistics, which we have presented in an easy to read format. I hope that you enjoy the adoption stories just as much as I do. This is truly one of the many highlights of my job.

In conclusion, I take great comfort knowing that we have your generous support to help us to do what we can to improve the lives of all animals in our community. Together with our partners and our community, the RSPCA ACT has achieved great outcomes this last financial year, but our work is not yet done.

Michelle Robertson

Michelle Robertson
CEO



ANIMAL STATISTICS

FINANCIAL YEAR 2018 - 2019

3374

TOTAL INCOMING ANIMALS



43
EMERGENCY
BOARDERS



73
SHELTER
OFFSPRING



464
INSPECTORATE
ANIMALS



1951
SURGERIES
PERFORMED



1435
SHELTER
ANIMALS

516
PUBLIC
ANIMALS



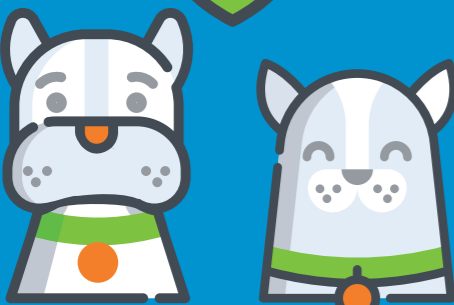
OVER 3000
CONSULTATIONS
& ANIMAL CHECKS



1053
ANIMAL CRUELTY
COMPLAINTS



**20 CRUELTY
REPORTS**
INVESTIGATED
EACH WEEK



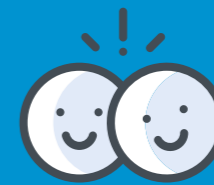
92%
CANINE
HOMING RATE

89%
FELINE

1200 CALLS
PER MONTH IN OUR
PET ADOPTION
CENTRE



MEET & GREET NEARLY
300
CUSTOMERS A WEEK



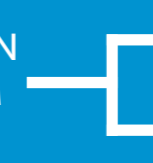
9 CATS
PER DAY
IN TANGO'S
PLACE



EDUCATION
PROGRAM
REACHED



9 SCHOOLS
7 COMMUNITY
GROUPS



332
KIDS N KRITTERS
PARTICIPANTS



144
CUPCAKE DAY
FUNDRAISERS



3396 TICKETS
SOLD TO MILLION
PAWS WALK



10
GIFTS IN WILLS



26
MONTHLY PROJECT
SAFE SUPPORTERS



820
MONTHLY DONORS



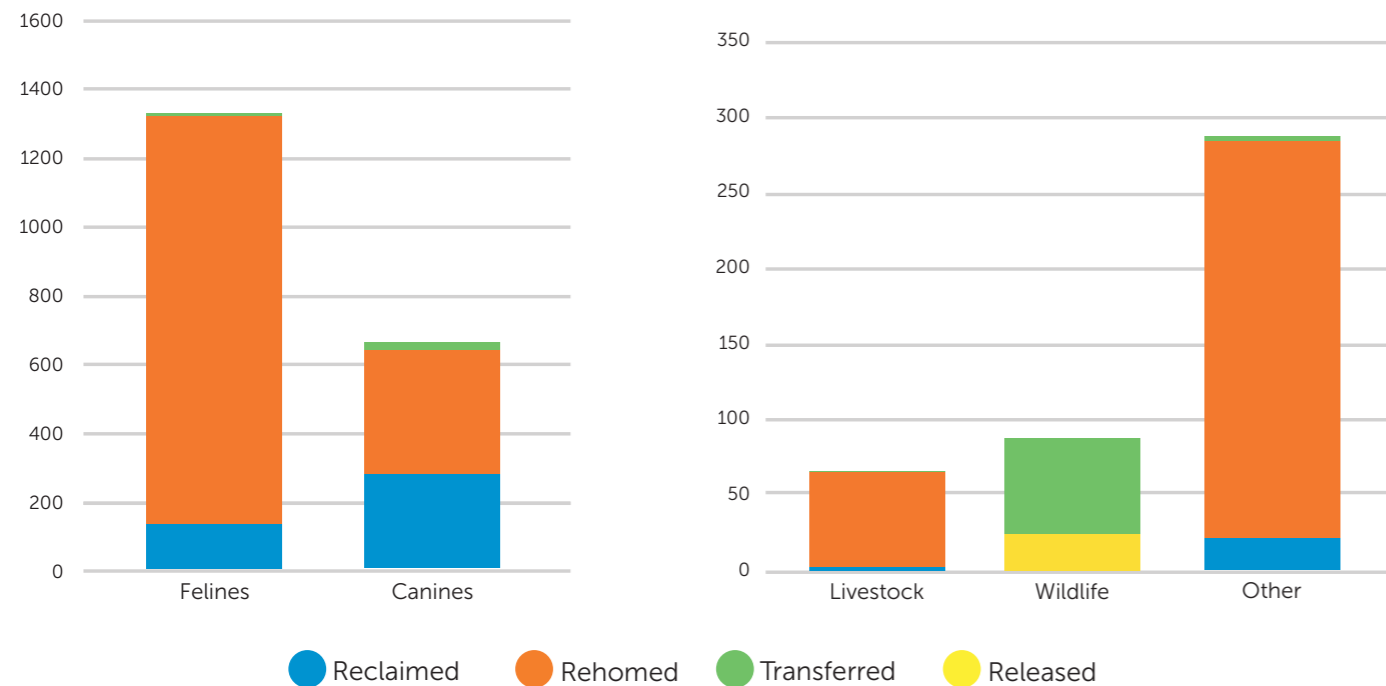
ANIMAL STATISTICS

FINANCIAL YEAR 2018 - 2019

ANIMAL LIVE OUTCOMES

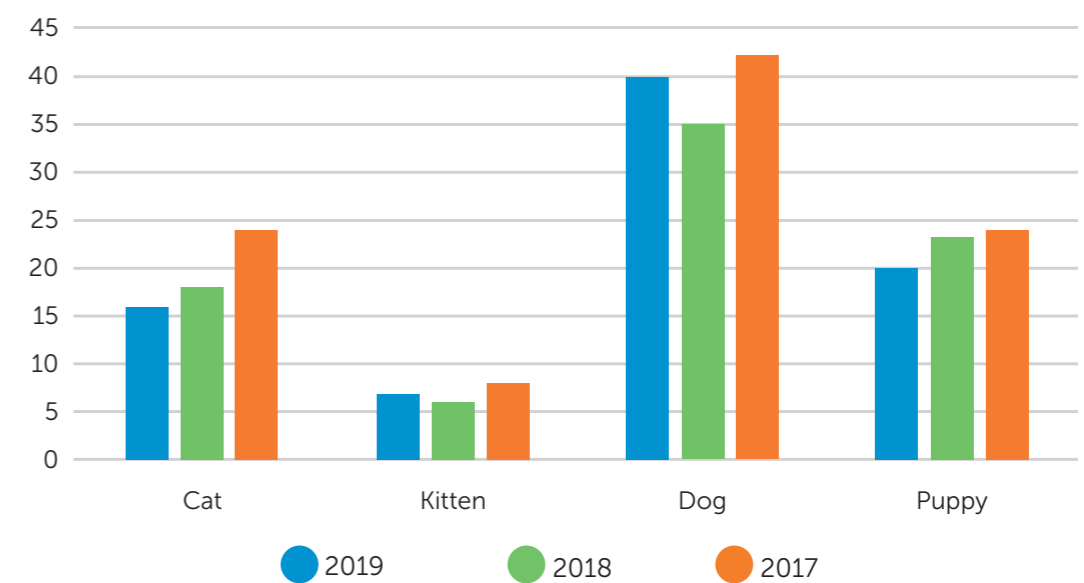
	Felines	Canines	Livestock (includes poultry)	Wildlife	Other animals*
Rehomed	1186	360	62		263
Reclaimed	139	282	3		22
Transferred	9	23	1	64	3
Released				25	

* Other animals include Birds, Ferrets, Reptiles, Fish, Guinea pig, Rabbits, Rodents

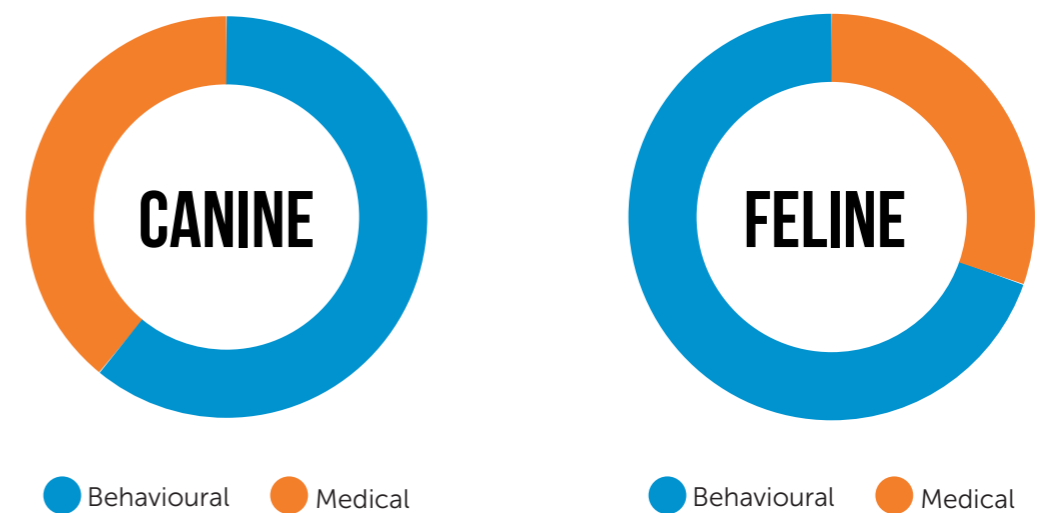


AVERAGE LENGTH OF STAY (IN DAYS)

	2019	2018	2017
Cat	16	18	24
Kitten	7	6	8
Dog	40	35	42
Puppy	20	23	24



EUTHANASIA REASONS



*excludes euthanasias performed due to legal reasons

Happy Tails

We love hearing about how animals have settled into their lives post adoption. Here are some of the stories from adopters over the past financial year!

Gorgeous Mitsy arrived at the Shelter in May 2018 with her wide smile and golden wirey coat. She waited patiently for a total of 10 months to find her forever family. In March this year, Mitsy's dreams came true and she now lives happily snoozing on the couch with her human siblings.



Mitsy

"Combi is doing well. I call her baby bug after the VW bug. Very playful, patient, quite smart and slowly getting used to strangers and a little more noise. Since she sleeps with her adopted Dad she sits at the bedroom doorway waiting for him when she thinks it is time to go to bed.

I think that she is one of the nicest cats we have ever had as part of the family. She came to us when Paul was unwell and made an amazing contribution to his recovery. Go Combi!"



Combi

Treeko was seized by our Inspectors early last year and waited patiently for his case to be resolved. Thankfully after a month in our care he was adopted by a new loving family!



Treeko



Oso

"Some more photos of not so little Oso! We are absolutely loving every minute with him! He has been to puppy daycare a few times and loves playing with the other puppies! He's also half way through puppy school!"



Delta & Echo

"We originally went to the RSPCA hoping to adopt ONE kitten.. but we couldn't decide between these guys so we ended up coming home with two (and we are so glad we did!).

Delta is a typical lap cat while Echo jumps into your arms to be held. One thing they have in common is their love for each other! While it took a little while for them to warm up to one another, now we often come home to find them curled up together having a nap or grooming each other on the couch."

"In the last few weeks there have been lots of fun adventures. Latte is a very youthful bunny, with loads of energy. She surprised us all with how quickly she became comfortable in her new environment. She was flopping everywhere and even binking (a bunny jump for joy) on the first day we brought her home."



Latte



Honey Bear

"I rescued 5 puppies and brought them all to the RSPCA and then we came back 2 weeks later once they had been desexed and vaccinated to get our adorable puppy. My 7 year old named her Honey Bear and is her best, best friend."

"By day, she monitors Canberra from the top of one of her many scratching poles in the sun, and by night she watches TV on our laps after playing with her favourite "pterodactyl" catnip toy.

Visitors are always greeted by a loving head bump and lick, and if they're lucky, she'll roll on their shoes and chew their shoe laces.

Stormy has made this house a home."



Storm

SPONSORS



Nanook, 19 days in care

SHELTER PARTNERS



SHELTER SPONSORS



EVENT SPONSORS



KENNEL SPONSORS





SUPPORTERS

Thea, 27 days in care



SHELTER SUPPORTERS



SHELTER AMBASSADORS



Ali King



Josh Torney



Karina Rappel



MAJOR DONORS

Bazza, 19 days in care

Donations are crucial in ensuring our work with the abandoned, abused and neglected animals in the ACT is achievable. A big thank you, to every individual, family, business, school group and social club that has supported us over the last financial year. While we would love to list every individual who donated, we simply do not have the space. We would like to thank the following people for their significant contributions to our mission in the 2018-19 financial year.

Miss J Agius | Mr I Albrey | Mr & Mrs J Alcock | Ms L Alexander | Ms Monica Allami | B Allan | Miss E Allen | Mrs M Allen | Mr T Allen | Mr Z Alsaji | Mrs D Anderson AM | Mrs M Hughes | K Angus | K Anthonisz | Mr I Appleby | Mr S Applegate | Ms L Argall | D Arnold | Mr J Ashman | Miss M Atkinson | Ms J Avery | J Baird | Mr T Baker | Mr K Baker | R Baker | Mrs C Banfield | Mr B Barnes | Ms I Barnes | Mrs J Barnett | Ms E Beaton | H Bedford | Miss N Behm | Ms P Behncke | Mr & Mrs J Bellinger | Mr G Bennett | Mr B Bennett | Mr M Bernhardt | Dr E Bernoth | Dr G Bhanot | C Bingham | Mr & Mrs Daryl & Hermina Blaxland | Mrs H Blaxland | Mrs P Block | M Blumer | Mrs N Bobbin | J Booth | Mr A Borgu | Ms J Bowan | Mrs Heather Boyd | Mr A Brauer | Mr F Breglec | Ms A Brentnall | Mr R Briggs | Mrs K Britten | Ms A Broer | Ms L Broomhall

| Ms K Brown | Mr M Brown | Ms S Brown | Miss L Brown | M Brown | Mr T Brown | Mr D Browne | Mr Trevor & Mrs Roz Bruhn | Mrs S Budynek | Mrs M Buszynski | H Butcher | Mr J Butler | Mrs M Butselaar | Mr & Mrs P Cahill | Mrs M Cairns | Mrs B Caldwell | Mr D Campbell | Ms K Campbell & Mr S Kearns | Mrs E Canning | Ms S Cannon | Mr J Carlson | S Carpenter | M Carratt | Mrs J Carter | P Carter | Miss L Catelli | Mrs & Mr B & P Cattell | Miss Wai Yee Cheah | Mr P Chegwanich & Ms S You | Mrs R Chenoweth | Ms C Chin | J Church | Mrs J Clark | L Clark | Miss N Clegg | Ms M Clements | Ms L Clune | Ms S Collet | Mr B Collett | Mr B Collins | S Connor | D Constable | Mr T Conway | J Cook | A Cook | Ms K Corrigan | Mr W Cote | Miss M Cox | Mr F Cremen | Mr J Cressall | Miss S Crichton | Mrs J Crowe | Mrs H Crowe | Miss

C Cruttwell | D Cumbers | Mrs A Currie | K Cusack | Mr R Cuttell | Ms J Daly | Dr J Daly | Mr J Davenport | Mr I Deane | Ms C Denehy | Ms H Dingjan | Mr J Dobson | Dr & Mrs I & C Doherty | Mr I Donald | Ms S Dorz | N Dosenovic | Ms L Douglas & Mr P Frankis | Mrs J Dowse | Miss Susan Doyle | Rhonda Dunlop | Ms K Dunn | Mrs P Dunne | Mrs B Edward | Ms J Elliott | Mr H Elvin | Mrs M Enfield | Mr Anthony Errey | Dr N Evans | Executive Intelligence Group Pty Ltd | Mr J EYERS | Ms C Fernon | Mr C Fitzgerald | Mr C Flood | P Flynn | Mr M Frawley | J Frederiksen | H Furwiss | Mr M Gale | R Gallagher | Frances Gardini | Ms P Gardner | Ms L Ward | Ms P Gatenby & Mr L Swindley | Mr R Genero | Mrs Y Gentry | Mrs L Gibson | Ms M Gilmour | S Goldsworthy | H Gombar-Millynn | Mrs L Goodman | Maria Grainger | Mrs B Grant | Mr W Grant | Mr G Grant | Ms M Gras | Mrs R Gray | Mrs G Gray | Mrs J Greagg | Mrs J Grenfell | Mr R Grey | Ms K Grimsley | Dr P Groves | Ms J Gunning | Mrs A Haalebos | Mr & Mrs T & R Halstead | Mr & Mrs P Hamburger | Ms A Hancock | Mrs J Harmsworth | Ms L Harper | N Hassan Silva | Mr C Hauff | R Hefner | Mr D Heim | A Hely | Mrs H Henderson | Ms R Henson | Mrs D Higgins | Ms S Hijazi | Mr & Mrs M & M Hillis | Mr Mike Hillman | Ms J Ho | A Ho | Mrs R Hockham | Mr P Hodgson | Mrs & Mr A & M Hogan | Ms K Holzapfel | Mrs J E Howard | Mr G Humphries | Ms B Hunt | Mrs L Hunt | Ms J Hurlstone | Mr M Hutchinson | Ms J Hurlstone | Mr M Hutchinson | Mr J Hyam | A Jacenko | Mrs D James | Mano Jeyaretnam | Mrs J Johnson | Ms R Johnson | Ms A Johnston | Ms K Jones | Ms M Jones | Mrs & Mr K & W Jones | Ms L Jones | Ms J Kahler | Ms Lorraine Kearns | Mrs Margaret Kelemen | Mrs A Kennedy | M Kenny | Ms C Keur | Ms B Kitchings | Ms D Knight | Mr & Mrs M & J Kooymans | Ms L Kossatz | Ms J Kruse | Mr & Mrs J & P Kung | Mrs W Kupkee | M Lam | J Lambert | Mr P Lambie | Mr S Langman & Ms C Stanley | Miss S Lauer | Mr & Mrs W & E Laurie | Mr T Lawrence | Mr C Leader | Ms P Lean | Mr D Leitch | Ms M Leslie | Mrs Dorothy Leslie | Mrs F Levey | Mr A Lewis | S Lindenmayer | Dr R Lindsay & Ms L Wishart Lindsay | Mr P Lindwall | Miss P Lithgow | Ms K Little | Mrs S Llorens | T Griffiths | Ms & Mr B Locke | Ms J Logan | Ms M Lok | Mr Mark Love | Professor J Lovett | Mr K Lu | Mr & Ms M Lynch | Mrs T Lynch | Miss E MacDonald | R Mackay | Mr P Mackerras | Ms Sharyn Madigan | H Mak | Ms J Marshall | Mrs C Martin | Ms A Mawbey & Mr R Summerrell | T McAuliffe | M McCarthy & R Baker | Mrs N Mccauley | Mr R McDonnell | A McGregor | Mr R McHugh | Ms J McKenzie | Ms R McKenzie | Miss A McKeon | Mrs S McKeown | S Mclay | D McLeod | Mr R McMahon | Mr

J McNamara | A McPherson | Ms R McVean | Mr K Meikle | Ms Kay Michel | S Miles | Mr J Miller | C Mills | Mrs Jill Mitchell | Mrs F Mitchell | Ms P Molloy | Ms C Moore | Jennifer Morris | I Morris | Ms J Moses | Mrs P Moyseyenko | Mr M Muir | Mrs J Munro-Ashman | W Nelson | Mrs A Neumaier | M Newman | Ms Hilary Nicholson | Mr P Norrie & Ms C Norrie | Miss L O'Brien | Mr G O'Brien | Ms M O'Flynn | Ms L Olds | Mr & Mrs Onder | Dr L Orthia | Mrs M Osmond | Ms K Ottaway | Ms L Otto | Mrs S Pados | Ms J Palmer | Dr R Parkin | Dr Heather Patterson | Mr G Paul | Mr C Peady | Mr D Penny | Mrs A Perry | Ms M Pfanner | D Pippen | Mrs D Pniewski | M Popham | Dr L Potter | Mrs F Praljak | Mr D Prescott | Mr J Prytz | Mrs B Quintal | Miss B Ragless | K Rangsayapan | Mrs S Rasker | Ms M Rawlinson | Ms J Rawson | Ms S Read | Ms P Reynolds & Mr D Sewell | Mr S Richards | E Richards | Ms L Richards | Ms J Richardson | Ms P Richardson | Mrs & Mr B & D Richardson | Mrs W Richardson | Miss J Riley | Mrs P Robbins | Mr A Roberts | Ms F Roberts | Ms S Roberts | J Robilliard | Mr I Robinson & Mr C Quail | C Robinson | Mr M Rogers | A Roldan | Mrs C Rolfe | D Rolfe | M Rollings | I Rowe | Mrs S Rowell | Marietta Russell | Mr R Rye | Ms B Sack | Mr R Sait | Ms M Santiago | Mr M Sassella | Nina Savolainen | Ms A Sawyer | Miss A Scarth | Mr D Schmidt | Mr S Schneider | Ms V Schuhardt | Miss L Shaw | E Shepherd | Mr J Simpson | Mr K Simpson | Mr Bruce Sinclair | Mrs J Skipper | Ms R Smith | G Smith | B Smith | Mrs I Soegito | Dr C Soo OAM | Ms P Stagg | L Stephens | Mr K Sterelny | Miss K Stevens | Ms K Stockhausen | Ms R Stones | Mr & Mrs M & N Strange | Prof L Strazdins | Ms K Surgey | Ms L Swain | Mr N Swain | Mrs E Swanton | Ms S Swensson & Mr P Jones | Lady E Synnot | B Tandy | Mr B Tarplee | Ms C Tate | Mr R Taylor | Mr P Tesch | Mrs S Thomas | Mr A Thomas | Ms Ann Thurley | A Tiirikainen | Ms J Toller | E Tomaras | Ms C Toms | Dr Bernie Towler | Mrs L Trainor | D Tregenza | Mr M Triggs | Ms K Tyrrell | Ms I Urbanck | Ms K Van der Steen | Mr P Van Der Veen | Mrs Morna Vellacott | Ms Marg Vidler | Mr W Viney | Mr F von Reibnitz | Ms M Waldron | Mrs G Walker | T Wallace | C Wallwork | L Ward | Ms M Watson | Miss T Webb | Ms L Wechmann | Ms A Wedutenko | Ms S Weeraratne | S Weston | Mr R Wheate | Miss J White | J White | Ms W Whitham & Mr L Hooper | Mrs D Whitty | Ms S Whitty | Mr J Whitwell | Ms J Whyte | Mr A Wilson | J Wilson | Ms M Wilson | Ms H Wilson | Mr W Wise | Mrs & Mr E Woodhams | Mrs A Woods | Miss K Woolridge | Ms Jan Wryell | Mr R Young

THANK YOU

Tonka, 70 days in care



Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

(Incorporated in the Australian Capital Territory under the *Associations
Incorporation Act 1991*)

ABN 35 730 738 037

General Purpose
(Reduced Disclosure Requirements)

Financial Report
for the year ended 30 June 2019

Contents

	Page
Board Report	3
Statement of financial position	7
Statement of comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Independent auditor's report	25

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Declarations

For the year ended 30 June 2019

The Board presents this report on the Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated ("the Association") for the financial year ended 30 June 2019.

Content of Board Report	Page
1. Board membership	4
2. Principal activities	4
3. Review of Operations	4
4. Significant Changes	5
5. After the balance date events	5
6. Likely developments and expected results	5
7. Employees	5
8. Lead auditor's independence declaration	5
9. Responsible entities declaration	5

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Declarations

For the year ended 30 June 2019

1. Board membership

The Board presents this report on the Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated "the Association" for the financial year ended 30 June 2019. The Board is responsible for the management of the Association. The Board members in office during the financial year are:

President:
Mr Jeffrey Butler

Vice President:
Ms Sara Goldsworthy

Other Members:
Ms Alexandra Wedutenko
Dr Bernie Towler
Mr Robert McMahon
Mr Chris Collins
Ms Victoria Press
Ms Michelle Bennetts
Ms Katy Gallagher

2. Principal activities

The principal activities of the Association during the financial year were those of advocacy, prevention of cruelty, sheltering and veterinary services for and on behalf of animals within the ACT.

The Association is actively involved in:

- operating an animal cruelty inspectorate;
- operating an animal shelter;
- operating a veterinary clinic for shelter animals;
- providing a veterinarian service for qualifying low income clients;
- delivery of a public dog and puppy training school;
- operating a public cat boarding facility;
- providing educational programs for kids during school holidays; and
- operating a retail shop.

3. Review of Operations

This financial year, the RSPCA ACT delivered a surplus of \$202,084 (2018: \$819,886) despite a budgeted deficit of (\$333,133). This can be mainly attributed to (a) bequests over \$500,000 for the financial year, (b) strategic changes in the organisational staffing structure and recruitment model and (c) tight control of costs in all areas. Increased competition and pressure within the charitable sector continues to result in declining general donations which is compounded by a decrease in commercial revenue. Cash flow has stabilised and we have very little proportionate current liabilities. We were able to meet and maintain our operational reserve.

4. Significant changes

There are no significant changes to the Association for the financial year ending 30 June 2019.

5. After the balance date events

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Association, the results of those operations, or state of affairs of the Association in future financial years. This report is provided in accordance with a resolution of the Board and is signed for and on behalf of the members of the Board by the President, Jeffrey Butler.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Declarations
For the year ended 30 June 2019

6. Likely development and expected results

The future operation of the Association involves the continued pursuit of its principal activities and financial sustainability.

7. Employees

The Association employed 40 FTE employees as at 30 June 2019 (2018: 42 FTE employees).

8. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the Board Report for the financial year ended 30 June 2019.

9. Responsible entities declaration

There are reasonable grounds to believe that the RSPCA ACT is able to pay all of its debts, as and when they become due and payable and the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act* and the *Associations Incorporation Act 1991*.

This report is provided in accordance with a resolution of the Board and is signed for and on behalf of the members of the Board by:



President: Jeffrey Butler
Dated: 1 November 2019



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

To the Board members of the Royal Society for the Prevention of Cruelty to
Animals ACT (RSPCA ACT)

I declare that, to the best of my knowledge and belief, in relation to the audit of the RSPCA ACT for the financial year ended 30 June 2019 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.

KPMG

KPMG



Phillip Sands
Partner
Canberra
1 November 2019

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Statement of financial position
As at 30 June 2019

	<i>Note</i>	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	5	1,335,388	1,264,635
Trade and other receivables	6	277,857	71,062
Inventory		37,849	32,380
Prepayments		17,910	37,577
Other financial assets	5	203,450	-
Total current assets		1,872,454	1,405,654
Non-Current Assets			
Investments	7	1,013,178	979,677
Property, plant and equipment	8	216,149	165,753
Total non-current assets		1,229,327	1,145,430
Total assets		3,101,781	2,551,084
Current Liabilities			
Trade and other payables	9	526,865	177,711
Provisions	10	197,012	231,054
Total current liabilities		723,877	408,765
Total liabilities		723,877	408,765
Net Assets		2,377,904	2,142,319
Equity			
Equity attributable to members of the Association			
Net unrealised gain reserve	11	179,700	146,199
Accumulated surplus		2,198,204	1,996,120
Total Equity		2,377,904	2,142,319

The notes on pages 11 to 24 are an integral part of these financial statements.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Statement of comprehensive income
For the year ended 30 June 2019

	<i>Note</i>	2019 \$	2018 \$
Continuing operations			
Revenue	3	4,499,360	5,545,177
Cost of goods sold		(231,490)	(265,758)
Depreciation expense	4a	(53,243)	(58,839)
Salary and employee benefits expenses	4b	(2,784,764)	(2,960,165)
Other expenses	4c	(1,227,779)	(1,440,529)
Net surplus before income tax expense		202,084	819,886
Income tax expense	2h	-	-
Net surplus after income tax expense		202,084	819,886
Other comprehensive income			
Unrealised gain/(loss) on available-for-sale-investments		33,501	(32,057)
Total other comprehensive income for the period		33,501	(32,057)
Total comprehensive income for the period		235,585	787,829

The notes on pages 11 to 24 are an integral part of these financial statements.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Statement of changes in equity
For the year ended 30 June 2019

	Accumulated surplus \$	Net unrealised gain reserve (Note 11) \$	Total equity \$
At 30 June 2017	1,176,234	178,256	1,354,490
Unrealised gain (loss) on investments	-	(32,057)	(32,057)
Surplus for the year	819,886	-	819,886
Total comprehensive gain (loss) for the period	819,886	(32,057)	787,829
At 30 June 2018	1,996,120	146,199	2,142,319
At 30 June 2018	1,996,120	146,199	2,142,319
Unrealised gain (loss) on investments	-	33,501	33,501
Surplus for the year	202,084	-	202,084
Total comprehensive gain (loss) for the period	202,084	33,501	235,585
At 30 June 2019	2,198,204	179,700	2,377,904

The notes on pages 11 to 24 are an integral part of these financial statements.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers, government and others		4,204,949	4,925,225
Payment to suppliers and employees		(3,914,723)	(4,636,887)
Interest received		16,032	12,432
Dividends received		71,584	30,927
Net cash flows from operating activities	5(b)	377,842	331,697
Cash flows (used in) investing activities			
Acquisition of property, plant and equipment		(103,639)	(46,735)
Net cash (used in) investing activities		(103,639)	(46,735)
Net decrease in cash and cash equivalents		274,203	284,962
Cash and cash equivalents at beginning of the year		1,264,635	979,673
Cash and cash equivalents at end of the year	5(a)	1,538,838	1,264,635

The notes on pages 11 to 24 are an integral part of these financial statements.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

1. Corporate information

The Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated (“the Association”) is domiciled in Australia and is a not-for-profit organisation. The Association is incorporated under the *Associations Incorporation Act 1991* and is an incorporated Association.

The financial report of the Association for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Board on 31 October 2019.

The nature of the operations and principal activities of the Association are described in the Constitution.

2. Summary of significant accounting policies

(a) Basis of preparation

i. Statement of compliance

The general-purpose financial report has been prepared in accordance with the *Associations Incorporation Act 1991*, Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (‘AASB’), the *Australian Charities and Not-for-profits Commission Act 2012*, and other mandatory professional reporting requirements.

The Association has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and the Board members have determined that the Association is a Tier 2 entity, therefore the Association has prepared general purpose financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report has been prepared on an accruals basis and is based on historical cost, except for available-for-sale investments, which have been measured at fair value. The financial report is presented in Australian dollars.

The financial statements were approved by the Board members on 31 October 2019.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies set out below have been applied consistently by the Association to all periods presented in the financial report.

ii. Going concern basis

The financial report has been prepared on the going concern basis, which assumes that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

In considering the preparation of the financial report on a going concern basis, the Directors have taken into account the Organisation’s Operational Reserve Policy and that a significant portion of the entity’s annual revenues are generated from donation and bequest income which are subject to variability in terms of their timing and amount, and which are therefore difficult to forecast accurately.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

(b) New and amended standards adopted by the company

i. AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies for the financial assets of the Association including fixed interest securities and equity holdings among others. The introduction of this standard has impacted the classification of assets, as now the financial assets are held at amortised cost and fair value through other comprehensive income (FVOCI) and not available-for-sale or held-to-maturity. Further effects of the change in standard can be seen in note 14.

ii) Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

iii) Classification of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transactions costs (where applicable).

iv) Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity Instruments at FVTOCI

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

• Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. There are no financial assets classified under the FVTPL category.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Notes to the financial statements

For the year ended 30 June 2019

- **Financial assets at amortised cost**

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method.

Financial assets at amortised costs comprise of cash and cash equivalents, term deposits and trade and other receivables.

- **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss. There are no financial assets classified under this category.

- **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income or profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Equity investments at FVOCI comprise of investments in listed and unlisted shares.

- v) **Impairment of financial assets**

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Association to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Association has trade and other receivables which are subject to AASB 9's new expected credit loss model.

- vi) **Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Association's financial liabilities include, trade payables and employee provisions.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

- vii) **Financial instruments - Policy applicable for periods before 1 July 2018**

The Association classifies non-derivative financial instruments as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Association determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year-end.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Notes to the financial statements

For the year ended 30 June 2019

- **Financial assets at fair value through profit or loss**

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit or loss.

- **Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Association has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost.

This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

- **Loans and receivables**

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

- **Available-for-sale investments**

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

- (c) **New and amended standard not yet adopted by the company**

There are new accounting standards and interpretations published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below:

- i. **AASB 15 Revenue from Contracts with Customers**

AASB 15 addresses the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations. Per AASB 2016-7, AASB 15 is effective for not-for-profits for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted.

The application of AASB 15 is not expected to have a material impact on the revenue recognition of the Association. The likely impact will be on the timing of the recognition of revenue. The Association will apply this standard for the reporting period beginning 1 July 2019.

ii. AASB 16 Leases

AASB 16 Leases removes the classification of leases as either operating or finance leases, for the lessee, effectively treating all leases as finance leases. Short term leases (less than 12 month) and leases of low value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals.

The application of AASB 16 is not expected to have a material impact on the recognition of leases for the Association. The Association will apply this standard for the reporting period beginning 1 July 2019.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An allowance for doubtful debts is made when there is objective evidence that the Association will not be able to collect the debts. Bad debts are written off when identified.

(f) Inventories

Inventories include finished goods and are valued at cost or replacement value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Finished goods – purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of inventory. Volume discounts and rebates are included in determining the cost of purchase.
- Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition. Replacement cost is the cost of acquiring the asset at the end of the reporting period.

(g) Property, plant and equipment

Cost

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is provided on a straight-line basis or diminishing value over the estimated useful life of the assets as follows:

- Furniture and equipment: 5 years
- Fixtures and fittings: 10 years
- Computer equipment and software: 4 years
- Motor vehicle: 5 years
- Building: 40 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. Value in use is the depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Association would, if deprived of the asset, replace its remaining future economic benefits.

Impairment losses are recognised in the statement of comprehensive income.

(h) Taxes

Income Tax

The Association is exempt from income tax in accordance with Section 50-40 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(i) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Association prior to the end of the financial year, which are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(j) Employee benefits

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

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates that are expected to be paid when the liability is settled. All other employee benefits liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yields as at the reporting date on national government bonds with terms to maturity approximating the terms of the related liability, are used.

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

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave entitlements; and

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

- other types of employee benefits are charged against operating results in their respective categories.

The contributions made to superannuation funds are charged to the statement of comprehensive income.

Superannuation Commitments

Employees contribute to external superannuation funds at various percentages of their wages and salaries. Contributions by the Association of not less than 9.5% of employees' wages and salaries are legally enforceable in Australia and were paid.

(k) Leases

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

(l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Revenue from rendering of services is recognised when control of a right to be compensated for the services has been attained and the stage of completion of the service contract can be reliably measured. Stage of completion is measured by reference to the services performed to date as a percentage of total estimated services to be performed for each contract. If a contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the right to receive the payment is established.

Trust payments

Trust payments are received from charitable trusts set up by members of the community. Revenue is recognised upon receipt in the bank.

RSPCA Australia Distribution

RSPCA Australia distributes revenue received from certain income streams to member states. The distribution is based upon a ratio of population. The Association receives 1.6% of the distribution. The revenue is recognised upon receipt.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

Membership fees

The Association charges annual fees to its RSPCA members. The fixed annual membership fee is required to be paid by a member if they intend to maintain a membership.

Membership fee revenue is recognised upon receipting.

Fundraising

Fundraising income is recognised when the RSPCA obtains control of the funds.

Government grants and other contribution from community

Revenue is recognised when the Association receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party or parties to the transfer. Contributions received or receivable are recognised immediately as revenue when the Association obtains control of the contributions, it is possible that the economic benefits comprising the contribution will flow to the Association and the amount of the contribution can be measured reliably.

(m) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Association expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Other resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

(o) Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Notes to the financial statements

For the year ended 30 June 2019

3. Revenue

	2019	2018
	\$	\$
Retail sales	930,556	1,019,276
Income from Government Contract	764,470	732,000
Grants	85,273	49,362
Sponsorship	82,301	89,554
Donations	1,270,317	1,297,470
Fundraising events	90,402	120,390
Memberships	6,146	8,633
Raffles	275,105	265,745
Dividend income	71,584	30,927
Interest income	16,032	12,432
Realised gain on disposal of available-for-sale investments	-	-
Bequest	511,676	1,322,505
Veterinary clinic sales	167,662	216,115
Trust Payments	160,053	224,113
Inspector recovery costs	-	4,532
RSPCA Australia distribution	41,026	56,265
Sale of Assets	-	24,000
Other	26,757	71,858
Total	4,499,360	5,545,177

4. Expenses

(a) Depreciation expense

Plant and equipment	53,243	58,839
Total	53,243	58,839

(b) Salary and employee benefits expenses

Salaries and wages	2,490,513	2,609,472
Superannuation expense	236,971	239,159
Other employee benefits	57,280	111,534
Total	2,784,764	2,960,165

(c) Other expenses

Education program	1,461	63,661
Sheltering expenses	138,891	131,680
Fundraising expense and advertising	345,789	392,662
Facility and equipment	264,799	311,897
IT communication	182,447	192,175
Professional fees	19,839	33,371
Bad debts	-	28,667
General expenses	274,554	286,416
Total	1,227,779	1,440,529

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated

Notes to the financial statements

For the year ended 30 June 2019

5. Cash and cash equivalents

(a) Reconciliation of cash

	2019	2018
	\$	\$
Cash on hand	1,568	867
Cash at bank	1,333,820	1,263,768
Total cash and cash equivalents	1,335,388	-

Other financial assets (term deposit)

	203,450	-
Total Cash	1,538,838	1,264,635

(b) Reconciliation of net surplus to net cash flows from operating activities:

Net surplus	202,084	819,886
Other non-cash items	-	-

Adjustments to reconcile net surplus (deficient) to net cash flows from operating activities:

Bequest Income (received as shares)	-	(596,870)
Depreciation	53,243	58,839

Changes in assets and liabilities:

Trade and other receivables	(203,363)	10,574
Prepayments	19,667	(5,355)
Inventory	(5,469)	17,271
Trade and other payables	349,795	(38,935)
Provision	(34,042)	56,593
Provision for bad debts	(4,073)	9,703
Net cash flows from operating activities	377,842	331,697

6. Trade and other receivables

Current

Trade receivables	294,277	84,244
GST receivables	-	12,521
Other debtors	5,210	-
Provision for doubtful debts	(21,630)	(25,703)
Total	277,857	71,062

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

7. Investments held at Fair Value Through Other Comprehensive Income (FVOCI)

	2019	2018
	\$	\$
At fair value:		
Fixed interest securities	74,793	72,682
Listed shares	938,385	906,995
Total	1,013,178	979,677

Financial assets at fair value through OCI include financial assets that are invested in equity shares of listed companies and fixed interest debt securities. Fair values of these equity shares are determined by reference to published price quotations in an active market. The fair value of the investments is based on market data that is observable and therefore classified as level one financial instruments.

The following table provides the fair value measurement hierarchy as at 30 June 2019.

	Date of valuation	Total \$	Fair value measurement using		
			Quoted prices in active markets (Level 1) \$	Significant observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
At fair value:					
Fixed interest securities	30 June 2019	74,793	74,793	-	-
Listed shares	30 June 2019	938,385	938,385	-	-
			1,013,178	-	-

The following table provides the fair value measurement hierarchy as at 30 June 2018.

	Date of valuation	Total \$	Fair value measurement using		
			Quoted prices in active markets (Level 1) \$	Significant observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
At fair value:					
Fixed interest securities	30 June 2017	72,682	72,682	-	-
Listed shares	30 June 2017	906,995	906,995	-	-
			979,677	-	-

Financial instruments risk management objectives and policies

Interest rate risk

The Association manages its interest rate risk by investing surplus cash in high interest bank accounts. The Association does not have any borrowings and is therefore, not exposed to interest on loans.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

8. Property, plant and equipment

	2019	2018
	\$	\$
Computer Equipment and Software - At cost	339,881	329,645
Accumulated depreciation and impairment	(305,699)	(292,492)
Net carrying amount	<u>34,183</u>	<u>37,153</u>
Furniture and Fitting - At cost	729,875	639,619
Accumulated depreciation and impairment	(595,584)	(567,663)
Net carrying amount	<u>134,291</u>	<u>71,956</u>
Building and Fixtures - At cost	1,412,847	1,409,700
Accumulated depreciation and impairment	(1,375,466)	(1,369,333)
Net carrying amount	<u>37,381</u>	<u>40,367</u>
Motor Vehicles - At cost	138,414	138,414
Accumulated depreciation and impairment	(128,120)	(122,137)
Net carrying amount	<u>10,294</u>	<u>16,277</u>
Total Property, Plant and Equipment	<u>216,149</u>	<u>165,753</u>

Reconciliations

Carrying amount at beginning of the year	165,753	177,857
Additions	103,639	46,735
Depreciation expense	(53,243)	(58,839)
Carrying amount at end of the year	<u>216,149</u>	<u>165,753</u>

9. Trade and other payables

	2019	2018
	\$	\$
<i>Current</i>		
Trade creditors	294,439	91,278
Accrued expenses	180,956	19,526
Superannuation	376	322
PAYG withholding	37,845	53,566
Other payable	1,016	13,018
Total current	<u>526,865</u>	<u>177,710</u>
Total non-current	<u>-</u>	<u>-</u>
Total trade and other payables	<u>526,865</u>	<u>177,710</u>

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

10. Provisions

	2019	2018
	\$	\$
<i>Current</i>		
Annual leave	116,827	129,995
Long service leave	80,185	101,059
Total current provisions	197,012	231,054
<i>Non-current</i>		
Long service leave	-	-
Total non-current provisions	-	-
Total provisions	197,012	231,054

Nature and timing of provisions

Annual leave and long service leave

Refer to note 2(o) for the relevant policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

11. Net unrealised gain reserve

(a) Movements in the Net Unrealised Gain Reserve was as follows:

	\$
At 30 June 2017	178,256
Unrealised gain/(loss) on available-for-sale investments	(32,057)
At 30 June 2018	146,199
Unrealised gain/(loss) on available-for-sale investments	33,501
At 30 June 2019	179,700

12. Subsequent events

There have been no significant events that have occurred subsequent to 30 June 2019.

13. Related party and key management personnel disclosures

(a) Members of the Board in office during the year are disclosed in the Board report that accompanies these financial statements.

Key management personnel include the Chief Executive Officer, Executive Manager of Animal Welfare, Executive Manager of Support Services and the General Counsel.

(b) Key Management Personnel Compensation

The aggregate remuneration paid to key management personnel during the financial year is as follows:

	2019	2018
	\$	\$
Key management personnel compensation	464,340	394,612
Total key management personnel compensation	464,240	394,612

(c) The Association has no dealings with any other related parties.

Royal Society for the Prevention of Cruelty to Animals (ACT) Incorporated
Notes to the financial statements
For the year ended 30 June 2019

14. Categories of financial instruments

Financial Assets under AASB 139

	2019	2018
	\$	\$
Held-to-maturity (HTM)		
Cash and cash equivalents	-	1,264,635
Prepayments	-	37,577
	-	1,373,274
Loans and receivables		
Trade and other receivables	-	71,062
	-	71,062
Available for sale (AFS)		
Investments	-	979,677
	-	979,677

Financial Assets under AASB 9

Amortised Cost

Cash and cash equivalents	1,335,388	-
Trade and other receivables	277,857	-
Prepayments	17,910	-
Other financial assets	203,450	-
	1,834,605	-

Fair value through OCI (FVOCI)

Investments	1,013,178	-
	1,013,178	-

Financial Liabilities under AASB 9

Amortised Cost

Trade and other payables	526,865	177,711
Provisions	197,012	231,054
	723,877	408,765



Independent Auditor's Report

To the members of the Royal Society for the Prevention of Cruelty to Animals ACT

Opinion

We have audited the **Financial Report** of the Royal Society for the Prevention of Cruelty to Animals ACT (the Association).

In our opinion, the accompanying Financial Report gives a true and fair view of the financial position of the Association as at 30 June 2019, and of its financial performance and its cash flows for the year then ended on that date:

- i. In accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Associations Incorporation Act 1991*; and
- ii. In compliance with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2019
- Statement of Comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Association in accordance with the auditor independence requirements of the *ACNC Act 2012* 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 fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Association's Board members for the Financial Report

The Association's Board members are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards- Reduced Disclosure Requirements* and the ACNC.
- Preparing Financial Report in accordance with the *Associations Incorporation ACT 1991*.
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Association's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

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

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal controls relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- v. Concluding on the appropriateness of the Associations' Board members' 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 Association'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 Association to cease to continue as a going concern.
- vi. Evaluating 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.

We communicate with the Board members of the Association 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.

KPMG

KPMG

Phillip Sands
Partner
Canberra

| November 2019



Brandy, 53 days in care

RSPCA 
ACT

A 12 Kirkpatrick Street Weston ACT 2611

W rspca-act.org.au

P 02 6287 8100

E rspca@rspca-act.org.au