

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

ABN 87 000 001 641

General Purpose - Financial Statements

30 June 2023

|                                                               |
|---------------------------------------------------------------|
| Document tendered by                                          |
| <u>Hon Emily Suvaal MLC</u>                                   |
| Received by                                                   |
| <u>Emily Whittingstall</u>                                    |
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# 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

## Director's Report

For the financial year ended 30 June 2023

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 2023 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:

|                                                                     | Appointed        | Resigned    |
|---------------------------------------------------------------------|------------------|-------------|
| Dr Peter Wright, President                                          | 22 January 2002  |             |
| Dr Ian Roth, Vice President                                         | 25 March 2017    |             |
| Mr Mark Steele SC, Vice President,<br>Co-opted Director for 4 years | 16 July 2021     |             |
| Mr Stewart Thompson, Treasurer                                      | 8 June 2022      |             |
| Mr Graham Hall, Director                                            | 19 April 1984    |             |
| Ms Sarah Cruickshank, Director                                      | 3 August 2010    |             |
| Mr Donald Richmond Robinson, Director                               | 30 October 2014  |             |
| Mr Peter O'Callaghan,<br>Co-opted Director for 4 years              | 27 February 2023 |             |
| Ms Mia Steele, Co-opted Director for 4 years                        | 27 July 2020     |             |
| Ms Margaret Gaal, Director                                          | 30 November 2020 |             |
| Mr Stephen Rushton SC                                               | 25 June 2019     | 16 May 2023 |

#### Name and responsibilities

Dr P Wright  
*President*

#### Qualifications, experience and other directorships

Dr P 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.

Dr I Roth  
*Vice President*

Dr I Roth worked as a veterinarian with the NSW Department of Primary Industries (NSW DPI) for 40 years in biosecurity and animal welfare. He managed the NSW DPI's Animal Welfare Unit and worked closely with RSPCA NSW. Until his retirement in December 2015, he was the Chief Veterinary Officer for NSW. His career successes were recognised with a Public Service Medal for outstanding public service to veterinary science, particularly pertaining to animal welfare and biosecurity in NSW.

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

## Director's Report (continued)

For the financial year ended 30 June 2023

### 1 Directors (continued)

#### Name and responsibilities

Mr M Steele SC

*Vice President*

#### Qualifications, experience and other directorship

Mr M Steele is a barrister practising corporate and employment law at the Commercial Bar in Sydney. He was appointed Senior Counsel in 2013. Mr Steele has a commerce degree and first-class honours law degree from the University of Melbourne and a master's degree in law from Oxford University and is currently studying for a PhD in law at Sydney University. Prior to coming to the Bar in 1995, Mr Steele worked for ten years as an investment banker in London, New York and Sydney. He has been a lifelong supporter of the RSPCA as a donor and as the proud parent of a much-loved terrier cross adopted from Yagoona. In recent years, Mr Steele has assisted RSPCA NSW pro bono on a number of important governance and regulatory matters. He is also a Director of RSPCA Australia.

Mr S Thompson

*Treasurer*

Mr S Thompson is a Partner at Hall Chadwick. He has over 30 years of chartered accounting experience and has been a partner in public practice since 2001. He has spent his career within both Big 4 and mid-tier firms providing audit and advisory services. His focus is on the middle market, providing audit and assurance services to a range of clients encompassing both corporate and not-for-profit entities. As Treasurer, he is particularly focused on the financial viability of the organisation.

Mr G Hall

*Director*

Mr Hall is a Life Member of RSPCA NSW and has been an RSPCA Board Member since 1983. He is the primary producer and owner of a family property near Young. He breeds Shorthorn cattle.

Ms S Cruickshank

*Director*

Ms S Cruickshank is currently the Deputy Secretary, Customer, Delivery and Transformation for the NSW Department of Customer Service. She has held senior executive roles in the NSW and Commonwealth Governments and has amassed three decades of experience in policy development, public affairs and strategic communications. Prior to joining the Australian Public Service in 2012, she spent 10 years as part of a global public relations agency, the last five years of which she was Managing Director of one of its Australian-based companies. Throughout her life, she has been the proud owner of multiple shelter cats and dogs and is passionate about protecting the interests of vulnerable animals in our society.

Mr D Robinson

*Director*

Mr D 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.



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

## Director's Report (continued)

For the financial year ended 30 June 2023

### 1 Directors (continued)

#### Name and responsibilities

#### Qualifications, experience and other directorship

Mr P O'Callaghan  
*Co-opted Director*

Mr P O'Callaghan has over 35 years' experience in risk management for not-for-profit organisations, government enterprises and health services, among many others. He is a member of the Australian Institute of Company Directors (AICD) and was awarded the inaugural Certified Practising Accountant (CPA) award for outstanding individual contribution to Victoria.

As well as serving on the RSPCA NSW Board of Directors, Mr O'Callaghan is currently Chairman of Life Choice Ltd Queensland, Board Director Uniting Age Well (Vic Tas), and Chairman AKC Ltd

Ms M Steele  
*Co-opted Director*

Ms M Steele is a life member of RSPCA NSW and has supported the RSPCA since childhood. She has an MA from Oxford University and has volunteered with many community organisations in NSW for over 25 years, including in aged care and with Vinnies, Primary Ethics and RSPCA NSW's Education team. In 2018 she was nominated as a NSW Volunteer of the Year for her work as a Primary Ethics teacher. She is passionate about preventing animal cruelty and has fostered and adopted rescue dogs from our shelters.

Ms M Gaal  
*Director*

Margaret Gaal joined RSPCA NSW in 1981 and was previously the President of our RSPCA Bathurst Branch, a position which she held for more than 30 years. Margaret brings with her a wealth of knowledge of the organisation and is the founder of the NSW RSPCA CAWS Program which commenced in 2003 and also completed the RSPCA CAWS Program in Tahiti. Outside of RSPCA NSW Margaret has sat on various NSW Government and Taskforces Committees and is the President of the Australian Institute Local Government Rangers Association and a life member of the Australian Institute NSW Rangers Association.

Mr S Rushton SC

Between 1986 and 2020 Mr Rushton practiced as a barrister. He was appointed Senior Counsel in 2000. In 2017 he was appointed a Commissioner of the Independent Commission against Corruption. He has a passion for animal welfare and the environment. In 2015 Mr Rushton was appointed Counsel Assisting the Special Commission of Inquiry into the Greyhound Racing Industry. Between 1995 and 2020 he also held the statutory appointment of Environmental Counsel to the Environment Protection Authority. As well as being a Life Member of RSPCA NSW, Mr Rushton works as a volunteer at the Sydney shelter. Mr Rushton resigned as a director with effect from 16 May 2023 and was thanked by the Board for his service.

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

## Director's Report (continued)

For the financial year ended 30 June 2023

### 1 Directors (continued)

#### Name and responsibilities

Mr S Coleman  
Company Secretary, CEO

#### Qualifications, experience and other directorship

Since joining RSPCA NSW in 1991, Steve has held many positions; Inspector, Deputy Chief Inspector, Chief Inspector, Deputy CEO and now CEO. This has significantly assisted in developing his leadership style and approach, with the primary purpose of RSPCA NSW at the core of his development. Steve's tertiary qualifications include a Graduate Diploma in Investigations Management and a Masters in Business Administration. Steve has extensive experience in stakeholder management including local, state and federal government, industry and media experience. With many years managing staff (approximately 500), volunteers (approximately 1500) and with a grassroots experience base, Steve is able to guide RSPCA NSW's strategic development and execution.

### 2 Director's meetings

The number of Director's 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                           | 5              | 6        |
| Dr Ian Roth, Vice President                          | 6              | 6        |
| Mr Mark Steele SC, Vice President, Co-opted Director | 6              | 6        |
| Mr Stewart Thompson, Treasurer                       | 5              | 6        |
| Mr Graham Hall, Director                             | 6              | 6        |
| Ms Sarah Cruickshank, Director                       | 4              | 6        |
| Mr Donald Robinson, Director                         | 3              | 6        |
| Mr Peter O'Callaghan, Co-opted Director              | 5              | 6        |
| Ms Mia Steele, Co-opted Director                     | 6              | 6        |
| Ms Margaret Gaal, Director                           | 5              | 6        |
| Mr Stephen Rushton SC                                | 5              | 5        |
| Mr Steve Coleman (Company Secretary, CEO)            | 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, the fostering and adoption of animals and the support of people in need in the care of their animals and the provision of veterinary services.

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

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

## Director's Report (continued)

For the financial year ended 30 June 2023

### 3 Principal activities, objectives and strategies (continued)

#### *Short-term objectives and strategies*

- Improve animal welfare outcomes for animals in the Society's care;
- Exceed the expectations of supporters in the care and protection of animals;
- Assist with animal care and protection during natural disasters;
- Provide a safe and happy work environment for staff and volunteers;
- Increase income to support the Society's activities; and
- Maintain vigilance in the control of costs.

#### *Long-term objectives and strategies*

- Grow our volunteer network;
- Continue focus on cruelty prevention;
- Educate the community on the importance of animal welfare;
- Continuous investment in fundraising;
- 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*

The financial and operational performance of the Society is monitored by reference to appropriate measures on a monthly basis.

### 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 have not been any matters or circumstances that have occurred subsequent to the end of the financial year that have 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.

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

## Director's Report (continued)

For the financial year ended 30 June 2023

### 6 Indemnification and insurance of officers and auditors

#### *Indemnification*

Since the end of the previous financial year, the Society has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Society.

#### *Insurance premiums*

During the financial year the Society has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2023 and since the financial year, the Society has paid premiums in respect of such insurance contracts for the year ending 30 June 2023. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Society.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

### 7 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the Director's report for the financial year ended 30 June 2023.

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

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Dr Peter Wright  
*President*

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Mr Stewart Thompson  
*Treasurer*

*Dated at Sydney this 25th day of September 2023*





# 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 and its controlled entities

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 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

Cameron Roan

*Partner*

Sydney

27 September 2023

The Royal Society for the Prevention of Cruelty to Animals New South Wales  
Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the financial year ended 30 June 2023

| <i>In AUD '000</i>                                       | <b>Note</b> | <b>2023</b>     | <b>2022</b>     |
|----------------------------------------------------------|-------------|-----------------|-----------------|
| Revenue                                                  | 4(a)        | 29,546          | 33,124          |
| Operating expenses                                       | 6           | (65,886)        | (59,391)        |
| <b>(Deficit) before legacies and grants</b>              |             | <b>(36,340)</b> | <b>(26,267)</b> |
| Legacies                                                 |             | 26,467          | 34,589          |
| Grants                                                   | 4(b)        | 7,065           | 2,998           |
| <b>(Deficit)/surplus before finance income</b>           |             | <b>(2,808)</b>  | <b>11,320</b>   |
| Finance income                                           |             | 2,719           | 1,655           |
| Finance expenses                                         |             | (175)           | (184)           |
| <b>Net financing income</b>                              | 5           | <b>2,544</b>    | <b>1,471</b>    |
| <b>(Deficit)/surplus before income tax expense</b>       |             | <b>(264)</b>    | <b>12,791</b>   |
| Income tax expense                                       |             | (25)            | -               |
| <b>(Deficit)/surplus for the financial year</b>          |             | <b>(289)</b>    | <b>12,791</b>   |
| <b>Other comprehensive income</b>                        |             |                 |                 |
| Net gain/(loss) on equity investments at FVOCI           |             | 1,888           | (4,540)         |
| <b>Total comprehensive income for the financial year</b> |             | <b>1,599</b>    | <b>8,252</b>    |

The accompanying notes on pages 14-30 are an integral part of these financial statements.

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

## Consolidated Statement of Financial Position

For the financial year ended 30 June 2023

In AUD '000

|                                             | Note  | 2023           | 2022           |
|---------------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                               |       |                |                |
| Cash and cash equivalents                   | 7     | 15,628         | 16,693         |
| Trade and other receivables                 | 8     | 2,429          | 1,109          |
| Inventories                                 | 9     | 800            | 796            |
| Other assets                                | 10    | 287            | 402            |
| Financial assets                            | 11    | 15,533         | 7,160          |
| <b>Total current assets</b>                 |       | <b>34,677</b>  | <b>26,160</b>  |
| Financial assets                            | 11    | 48,410         | 44,770         |
| Property, plant and equipment               | 12(a) | 75,693         | 68,607         |
| Intangible assets                           | 12(b) | 1,827          | 1,408          |
| Investment properties                       | 13    | 17,228         | 13,660         |
| Right-of-use assets                         | 17    | 34             | 62             |
| <b>Total non-current assets</b>             |       | <b>143,192</b> | <b>128,507</b> |
| <b>Total assets</b>                         |       | <b>177,869</b> | <b>154,668</b> |
| <b>Liabilities</b>                          |       |                |                |
| Trade and other payables                    | 14    | 7,796          | 6,025          |
| Provisions                                  | 16    | 5,295          | 4,922          |
| Deferred income                             | 15    | 28,186         | 8,768          |
| Lease liability                             | 17    | 119            | 88             |
| <b>Total current liabilities</b>            |       | <b>41,396</b>  | <b>19,803</b>  |
| Provisions                                  | 16    | 404            | 394            |
| <b>Total non-current liabilities</b>        |       | <b>404</b>     | <b>394</b>     |
| <b>Total liabilities</b>                    |       | <b>41,800</b>  | <b>20,197</b>  |
| <b>Net assets</b>                           |       | <b>136,069</b> | <b>134,470</b> |
| <b>Accumulated funds and reserves</b>       |       |                |                |
| Accumulated funds                           |       | 130,657        | 130,946        |
| Reserves                                    | 18    | 5,412          | 3,524          |
| <b>Total accumulated funds and reserves</b> |       | <b>136,069</b> | <b>134,470</b> |

The accompanying notes on pages 14-30 are an integral part of these financial statements.

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2023

| <i>In AUD '000</i>                                       | Revaluation<br>reserve | Accumulated<br>funds | Total          |
|----------------------------------------------------------|------------------------|----------------------|----------------|
| Balance at 1 July 2021                                   | 8,064                  | 118,155              | 126,219        |
| Surplus for the year                                     | -                      | 12,791               | 12,791         |
| Net loss on equity investments at FVOCI                  | (4,540)                | -                    | (4,540)        |
| <b>Total comprehensive income for the financial year</b> | <b>(4,540)</b>         | <b>12,791</b>        | <b>8,252</b>   |
| <b>Balance as at 30th June 2022</b>                      | <b>3,524</b>           | <b>130,946</b>       | <b>134,470</b> |
| Balance at 1 July 2022                                   | 3,524                  | 130,946              | 134,470        |
| Deficit for the year                                     | -                      | (289)                | (289)          |
| Net gain on equity investments at FVOCI                  | 1,888                  | -                    | 1,888          |
| <b>Total comprehensive income for the financial year</b> | <b>1,888</b>           | <b>(289)</b>         | <b>1,599</b>   |
| <b>Balance at 30th June 2023</b>                         | <b>5,412</b>           | <b>130,657</b>       | <b>136,069</b> |

The accompanying notes on pages 14-30 are an integral part of these financial statements.



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

## Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

In AUD '000

|                                                                   | 2023            | 2022          |
|-------------------------------------------------------------------|-----------------|---------------|
| <b>Cash flows from operating activities</b>                       |                 |               |
| Cash receipts from members and customers                          | 17,994          | 18,017        |
| Cash payments to suppliers and employees                          | (58,096)        | (57,393)      |
| Donations received                                                | 8,705           | 8,955         |
| Legacies received <sup>1</sup>                                    | 16,223          | 27,751        |
| Grants                                                            | 26,482          | 1,266         |
| Jobkeeper/Job saver receipts                                      | -               | 1,250         |
| <b>Net cash from/(used in) operating activities</b>               | <b>11,308</b>   | <b>(153)</b>  |
| <b>Cash flows from investing activities</b>                       |                 |               |
| Interest receipts                                                 | 191             | 34            |
| Dividends                                                         | 1,987           | 2,037         |
| Reinvestment of interest and dividends receipts                   | (1,690)         | (2,071)       |
| Rent received                                                     | 445             | 440           |
| Proceeds from sale of investment property                         | 5,646           | 2,590         |
| Proceeds from sale of property plant and equipment                | 3,951           | 5,558         |
| Payment for property plant and equipment and intangible assets    | (15,367)        | (12,651)      |
| Liquid investments (acquired)/realised                            | (7,537)         | 9,190         |
| <b>Net cash (used in)/from investing activities</b>               | <b>(12,373)</b> | <b>5,127</b>  |
| Net (decrease)/increase in cash and cash equivalents              | (1,065)         | 4,973         |
| Cash and cash equivalents at beginning of year                    | 16,693          | 11,720        |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>15,628</b>   | <b>16,693</b> |

1. The Group receives Legacy income in both cash and non-cash forms. Non-cash bequests may include properties, financial investments, companies and other assets. There may also be a difference in the timing of the receipt of cash compared to the recognition of the bequeathed income.

The accompanying notes on pages 14-30 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 financial year ended 30 June 2023

### 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. The Society is domiciled in Australia. The address of the Society's registered office is 201 Rookwood Road, Yagoona NSW 2199. The Society is registered under the Australian Charities and Not-for-profits Commission Act 2012.

These consolidated financial statements include the underlying assets and liabilities in a subsidiary company Hansons Properties Pty Ltd acquired during the 2021 financial year as disclosed in note 24. The financial statements are as at and for the financial year ended 30 June 2023.

### 2 Basis of preparation

#### (a) Statement of preparation

The consolidated financial statements have been prepared in accordance with Australian Accounting Standard 1060 - Simplified Disclosures adopted by the Australian Accounting Standards Board (AASB) and the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.

The financial statements were authorised for issue by the Board of Directors on 25th September 2023.

#### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for equity securities at fair value through other comprehensive income (OCI) which are measured at fair value determined by reference to their quoted closing exit bid price at the reporting date.

#### (c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Society's functional currency. Figures are presented in round thousand dollars unless otherwise stated.

#### (d) Use of estimates and judgements

The preparation of consolidated 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.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the consolidated financial statements are summarised in Note 3(q).

#### (e) New and amended standards adopted by the Society

A number of other new standards are also effective from 01 July 2022 but they do not have material effect on the Society's financial statements.

### 3 Significant accounting policies

Unless otherwise stated, the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (a) Branch accounts

The consolidated financial statements comprise the accounts of the Society and all its Branches. The consolidated 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 disclosed in note 21(b).

#### (b) Financial instruments

##### (i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Society 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.

##### (ii) Classification and measurement 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).

##### (iii) Subsequent measurement of financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Society 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.

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 (see below) ;
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI (see below)

The accounting policy is set out below:

##### (a) 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.

##### (b) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in 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.



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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (b) Financial instruments (continued)

##### (iii) Subsequent measurement of financial assets (continued)

###### (b) Equity investments at FVOCI (continued)

Equity investments at FVOCI are investments in listed and unlisted shares and investments in trusts.

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 operating expenses.

#### (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 or 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:

|                                  |                              |
|----------------------------------|------------------------------|
| • Buildings                      | 20 years, or lease term      |
| • Animal shelters                | 20 - 50 years, or lease term |
| • Motor vehicles                 | 5 years                      |
| • Plant, furniture and equipment | 3-10 years                   |
| • Intangible assets              | 4 years                      |

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

##### (iv) Capital works in progress

Capital works in progress represents expenditure on unfinished capital project.

#### (d) Intangible assets

Intangible assets are software in use measured at cost, less accumulated depreciation based on a useful life of 4 years.



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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (e) Leases

At inception of a contract, the Society assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Society recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Society's incremental borrowing rate. Generally, the Society uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Society is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Society is reasonably certain not to terminate early.

#### *Short-term leases and leases of low-value assets*

The Society has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets or peppercorn leases and short-term leases, including IT equipment. The Society recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (f) Revenue

##### (i) *Revenue recognition policy from Revenue from Contracts with Customers (AASB15)*

Revenue is recognised at an amount that reflects the consideration for transferring goods or services to a customer.

The timing of the payment of sale of goods and rendering of services generally corresponds to the timing of satisfaction of the performance obligations. Where there is a difference in timing, a receivable, contract asset or contract liability is recognised.

None of the revenue streams of the Society has any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### *Sale of goods*

Revenue from sales of goods comprises revenue earned from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

#### *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 are performed.

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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (f) Revenue (continued)

- (ii) *Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)*

##### *Grant income*

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the Society below its fair value.

##### *Capital grants*

Capital grants received under an enforceable agreement to enable the Society to acquire or construct an item of property, plant and equipment to identified specifications for its use are recognised as revenue as and when the obligation to purchase or construct is met.

##### *Legacies*

Legacies are recognised when received or when the Society has been notified of an impending and unconditional entitlement.

Revenue from legacies comprising shares or other property are recognised at fair value, being the market value of the shares or property at the date the Society becomes legally entitled to the shares or property.

##### *Donations and fundraising*

Donations collected, including cash and goods for resale, are recognised as revenue when the Society gains control of the asset.

#### (g) Fundraising Activities

##### *NSW Charitable Fundraising Act 1991*

This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in Note 20 are in accordance with Authority Condition 7, which is issued to the Company under section 19 of the Act.

##### *Donations:*

Donations are recognised as income when received by the Society. As specified in the Act, unsolicited donations, members' donations and legacies are not treated as fundraising income when determining information required under the Act.

##### *Costs of fundraising:*

Costs used in Note 20 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs such as the time spent by accounting or office staff administering appeals, cost apportionment of rent, light and power, and insurance have been excluded from Note 20.

#### (h) Deferred income

Deferred income represents the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipts of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after reporting date then the liability is disclosed as non-current. The Society realises grant income upon fulfillment of specific obligations in line with the requirements of AASB 1058.

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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (i) Finance income and expenses

Finance income comprises interest income on funds invested, realised gains or losses, dividend income and distributions that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividends and distributions are recognised as income when received.

Finance expenses comprise interest expense on borrowings, management fees and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

#### (j) Income tax

The Society is an income tax exempt charity endorsed by the Australian Taxation Office (ATO). Its subsidiary company is liable for income tax.

#### (k) 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.

#### (l) 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 13, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated to write off the cost of investment property less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. For the buildings, a useful life of 20 years is used in the calculation of depreciation.

#### (m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### (n) Trade and other receivables

Trade receivables, which comprise amounts due from sales of merchandise and services provided to the public and unconditional amounts owed for work performed under grant agreements are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

#### (o) Trade and other payables

Trade payables are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 to 60 days.

#### (p) Employee benefits

A provision is made for the Society's liability for all accrued employee benefits (annual leave and long service leave) as at balance date, together with an allowance for on-costs.

The provision is treated as a current liability, except in respect of long service leave which has not vested and will not vest in the next financial year.



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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

### 3 Significant accounting policies (continued)

#### (q) Use of estimates and judgements

The judgements, estimates and assumptions that have the most significant effects on the amounts recognised in the consolidated financial statements are summarised below.

##### *Allowance for expected credit losses*

The allowance for doubtful debts is determined by a review of the receivables ledger to assess the likelihood of collecting individual debts, based on all available information.

##### *Estimation of useful lives of assets*

The Society determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated.

#### (r) 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.

#### (s) Business combination

When the Society receives a bequest of more than 50% of the share capital of a company, the Society recognises an investment in a subsidiary company based on the fair value of the company's net assets. The Society's policy is to conduct an orderly realisation of the net assets of the subsidiary company or of the Society's share in it and to recognise any resulting gain or loss through the income statement. When a subsidiary company is held at balance date, consolidated accounts are prepared in which the underlying assets and liabilities of the subsidiary are recognised, together with a non-controlling interest proportionate to the shareholding of parties other than the Society.



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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

| 4(a) | Revenue                                                                                        | 2023<br>\$'000 | 2022<br>\$'000 |
|------|------------------------------------------------------------------------------------------------|----------------|----------------|
|      | <i>Operating revenue</i>                                                                       |                |                |
|      | Donations                                                                                      | 8,705          | 8,955          |
|      | Royalty                                                                                        | 38             | 111            |
|      | Profit on sale of property                                                                     | 2,980          | 4,369          |
|      | Membership subscriptions                                                                       | 4              | 22             |
|      | Fees for service – animals                                                                     | 5,035          | 5,832          |
|      | Sale of goods                                                                                  | 1,178          | 909            |
|      | Sale of animals                                                                                | 1,740          | 1,770          |
|      | Rent                                                                                           | 445            | 440            |
|      | Court fines and costs                                                                          | 417            | 410            |
|      | Fundraising                                                                                    | 7,101          | 7,104          |
|      | Sundry income                                                                                  | 1,903          | 1,952          |
|      | Jobkeeper/Job saver                                                                            | -              | 1,250          |
|      |                                                                                                | <u>29,546</u>  | <u>33,124</u>  |
| 4(b) | Grants                                                                                         |                |                |
|      | NSW Dept of Planning, Industry & Environment -<br>Immediate Construction Capital Works Program | 2,728          | 1,732          |
|      | NSW Dept of Primary Industries - Inspectorate Services Grants                                  | 2,924          | 424            |
|      | NSW Environmental Trust - Keeping Cats Safe at Home Grant                                      | 608            | 407            |
|      | NSW Dept of Premier & Cabinet - Community<br>Building Partnerships Grant                       | 437            | -              |
|      | Other grants                                                                                   | 367            | 435            |
|      |                                                                                                | <u>7,065</u>   | <u>2,998</u>   |
| 5    | Net finance income                                                                             |                |                |
|      | Interest income                                                                                | 191            | 34             |
|      | Dividends                                                                                      | 1,987          | 2,104          |
|      | Realised gains/(losses)                                                                        | 541            | (483)          |
|      | Finance income                                                                                 | <u>2,719</u>   | <u>1,655</u>   |
|      | Portfolio management fees                                                                      | (175)          | (184)          |
|      | Finance expenses                                                                               | <u>(175)</u>   | <u>(184)</u>   |
|      | Net finance income                                                                             | <u>2,544</u>   | <u>1,471</u>   |

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

## Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

|          |                           |               |               |
|----------|---------------------------|---------------|---------------|
| <b>6</b> | <b>Operating expenses</b> | <b>2023</b>   | <b>2022</b>   |
|          |                           | <b>\$'000</b> | <b>\$'000</b> |

*An analysis of the Society's operating expenses for the year is as follows:*

|                                                            |               |               |
|------------------------------------------------------------|---------------|---------------|
| Salaries and wages expenses                                | 35,151        | 32,439        |
| Contributions to defined superannuation contribution plans | 3,371         | 2,914         |
| Depreciation of investment properties                      | 200           | 82            |
| Depreciation of non-current assets                         | 5,328         | 4,137         |
| Depreciation of right of use assets                        | 34            | 116           |
| Bad debts expenses                                         | 37            | 62            |
| Administration expenses                                    | 9,120         | 8,304         |
| Animal related expenses                                    | 4,127         | 3,777         |
| Purchase of merchandise                                    | 425           | 556           |
| Repairs and maintenance                                    | 1,156         | 751           |
| Fundraising expenses                                       | 4,294         | 3,710         |
| Rent expenses                                              | 152           | 88            |
| Interest expense-right of use leases                       | 1             | 4             |
| Other occupancy expenses                                   | 213           | 279           |
| Other expenses                                             | 2,277         | 2,173         |
|                                                            | <u>65,886</u> | <u>59,391</u> |

## **7 Cash and cash equivalents**

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Cash at bank and short term deposits | 15,601        | 16,665        |
| Cash on hand                         | 27            | 29            |
|                                      | <u>15,628</u> | <u>16,693</u> |

## **8 Trade and other receivables**

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Trade receivables                  | 923          | 1,504        |
| Legacies receivable                | 1,937        | -            |
| Less: Allowance for doubtful debts | (431)        | (395)        |
|                                    | <u>2,429</u> | <u>1,109</u> |

*Allowance for doubtful debts*

|                                  |            |            |
|----------------------------------|------------|------------|
| Opening balance                  | 395        | 312        |
| Impairment losses on receivables | 36         | 83         |
| Closing balance                  | <u>431</u> | <u>395</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.

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

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2023

|              |                                                            |               |               |
|--------------|------------------------------------------------------------|---------------|---------------|
| <b>9</b>     | <b>Inventories</b>                                         | <b>2023</b>   | <b>2022</b>   |
|              |                                                            | <b>\$'000</b> | <b>\$'000</b> |
|              | Finished goods                                             | 800           | 796           |
| <b>10</b>    | <b>Other assets</b>                                        |               |               |
|              | Prepayments                                                | 287           | 402           |
| <b>11(a)</b> | <b>Financial assets</b>                                    |               |               |
|              | <b>Current</b>                                             |               |               |
|              | Financial assets at amortised cost                         | 15,533        | 7,160         |
|              |                                                            | 15,533        | 7,160         |
|              | <b>Non-current</b>                                         |               |               |
|              | Equity instruments at FVOCI                                |               |               |
|              | Shares held at market value                                | 47,650        | 43,875        |
|              | Unlisted trusts and shares at market value                 | 760           | 896           |
|              |                                                            | 48,410        | 44,770        |
| <b>11(b)</b> | <b>Movements in investments</b>                            |               |               |
|              | <b>Current assets</b>                                      |               |               |
|              | Balance at beginning of financial year                     | 7,160         | 16,185        |
|              | Transfer from cash and cash equivalents                    | 15,500        | -             |
|              | Transfer (to) non-current investments                      | (7,127)       | (9,025)       |
|              | Balance at end of financial year                           | 15,533        | 7,160         |
|              | <b>Non-currents assets: listed and unlisted securities</b> |               |               |
|              | Balance at beginning of financial year                     | 44,770        | 47,915        |
|              | Dividends and interest reinvested                          | 1,690         | 2,070         |
|              | Management fees                                            | (175)         | (184)         |
|              | Transfer (to) cash and cash equivalents                    | (7,963)       | (9,190)       |
|              | Transfer from current investments                          | 7,127         | 9,025         |
|              | In specie Legacy income received                           | 532           | 157           |
|              | Realised gains/(losses)                                    | 541           | (483)         |
|              | Fair value adjustment at 30 June 2023                      | 1,888         | (4,540)       |
|              | Balance at end of financial year                           | 48,410        | 44,770        |

The Royal Society for the Prevention of Cruelty to Animals New South Wales  
Notes to the Financial Statements (continued)  
For the financial year ended 30 June 2023

12(a) Property, plant and equipment

| <i>In AUD '000</i>                                    | Capital works in progress | Land and Buildings | Motor vehicles | Plant furniture and equipment | Computer Equipment | Total           |
|-------------------------------------------------------|---------------------------|--------------------|----------------|-------------------------------|--------------------|-----------------|
| <b>Cost</b>                                           |                           |                    |                |                               |                    |                 |
| Balance at 1 July 2022                                | 15,611                    | 69,897             | 6,213          | 7,937                         | 202                | 99,860          |
| Additions                                             | 5,392                     | 2,478              | 5,339          | 909                           | 199                | 14,317          |
| Transfers                                             | (13,862)                  | 13,371             | -              | 26                            | 465                | -               |
| Disposals                                             | -                         | -                  | (3,414)        | (802)                         | (6)                | (4,222)         |
| <b>Balance as at 30 June 2023</b>                     | <b>7,141</b>              | <b>85,746</b>      | <b>8,138</b>   | <b>8,070</b>                  | <b>860</b>         | <b>109,955</b>  |
| <b>Accumulated depreciation and impairment losses</b> |                           |                    |                |                               |                    |                 |
| Balance at 1 July 2022                                | -                         | (23,604)           | (1,237)        | (6,368)                       | (43)               | (31,252)        |
| Depreciation for the year                             | -                         | (2,642)            | (1,352)        | (389)                         | (236)              | (4,619)         |
| Disposals                                             | -                         | -                  | 817            | 786                           | 6                  | 1,609           |
| <b>Balance as at 30 June 2023</b>                     | <b>-</b>                  | <b>(26,246)</b>    | <b>(1,772)</b> | <b>(5,971)</b>                | <b>(273)</b>       | <b>(34,262)</b> |
| <b>Carrying amount</b>                                |                           |                    |                |                               |                    |                 |
| At 1 July 2022                                        | 15,611                    | 46,293             | 4,976          | 1,569                         | 159                | 68,608          |
| At 30 June 2023                                       | 7,141                     | 59,500             | 6,366          | 2,099                         | 587                | 75,693          |

12(b) Intangible Assets

| <i>In AUD '000</i>                | Software in Use | Total          |
|-----------------------------------|-----------------|----------------|
| <b>Cost</b>                       |                 |                |
| Balance at 1 July 2022            | 2,071           | 2,071          |
| Additions                         | 1,125           | 1,125          |
| <b>Balance as at 30 June 2023</b> | <b>3,196</b>    | <b>3,196</b>   |
| <b>Accumulated depreciation</b>   |                 |                |
| Balance at 1 July 2022            | (663)           | (663)          |
| Depreciation for the year         | (706)           | (706)          |
| <b>Balance as at 30 June 2023</b> | <b>(1,369)</b>  | <b>(1,369)</b> |
| <b>Carrying amount</b>            |                 |                |
| At 1 July 2022                    | 1,408           | 1,408          |
| At 30 June 2023                   | 1,827           | 1,827          |



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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

| <b>13</b> | <b>Investment properties</b>    | <b>2023</b>   | <b>2022</b>   |
|-----------|---------------------------------|---------------|---------------|
|           |                                 | <b>\$'000</b> | <b>\$'000</b> |
|           | <b>Cost</b>                     |               |               |
|           | Balance at 01 July              | 14,512        | 8,447         |
|           | Additions                       | 7,778         | 6,750         |
|           | Disposals                       | (4,205)       | (685)         |
|           | Balance at 30 June              | <u>18,085</u> | <u>14,512</u> |
|           | <b>Accumulated Depreciation</b> |               |               |
|           | Balance at 01 July              | (852)         | (777)         |
|           | Depreciation for the year       | (206)         | (148)         |
|           | Disposals                       | 201           | 73            |
|           | Balance at 30 June              | <u>(857)</u>  | <u>(852)</u>  |
|           | <b>Carrying amount</b>          |               |               |
|           | Balance at 01 July              | 13,660        | 7,670         |
|           | Balance at 30 June              | 17,228        | 13,660        |
| <b>14</b> | <b>Trade and other payables</b> |               |               |
|           | Trade payables                  | 2,637         | 1,615         |
|           | Other payables and accruals     | 5,159         | 4,410         |
|           |                                 | <u>7,796</u>  | <u>6,025</u>  |
| <b>15</b> | <b>Deferred income</b>          |               |               |
|           | Grant funding                   | <u>28,186</u> | <u>8,768</u>  |
| <b>16</b> | <b>Provisions</b>               |               |               |
|           | Employee benefits - Current     | 5,295         | 4,922         |
|           | Employee benefits - Non-current | 404           | 394           |
|           |                                 | <u>5,699</u>  | <u>5,316</u>  |

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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

### 17 Right-of-use and lease liability

Operating leases relate to leased land at Yagoona which is held on a peppercorn basis, together with sundry leases for equipment. These 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. These leases are regarded as immaterial for the purpose of disclosure in accordance with AASB 16

Information about other property leases accounted for in accordance with AASB 16 is presented below:

|                                                  | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------------------|----------------|----------------|
| <b>(i) Right-of-use assets</b>                   |                |                |
| <b>Cost</b>                                      |                |                |
| Balance at 01 July                               | 325            | 301            |
| Additions                                        | 44             | 24             |
| Disposals                                        | (277)          | -              |
| Balance at 30 June                               | 92             | 325            |
| <b>Accumulated Depreciation</b>                  |                |                |
| Balance at 01 July                               | (262)          | (146)          |
| Depreciation for the year                        | (72)           | (116)          |
| Disposals                                        | 277            | -              |
| Balance at 30 June                               | (58)           | (263)          |
| <b>Carrying amount</b>                           |                |                |
| Balance at 01 July                               | 62             | 154            |
| Balance at 30 June                               | 34             | 62             |
| <b>(ii) Lease liability</b>                      |                |                |
| Current                                          | 119            | 88             |
|                                                  | 119            | 88             |
| <b>(iii) Amount recognised in profit or loss</b> |                |                |
| Interest on lease liabilities                    | 1              | 4              |
| Depreciation of right-of-use assets              | 72             | 116            |

### 18 Reserves

|          |       |       |
|----------|-------|-------|
| Reserves | 5,412 | 3,524 |
|----------|-------|-------|

Reserves are balances that relate to unrealised gains or (losses) on equity investments at FVOCI (see note 3(b)(iii)(b)).

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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

| 19 | Capital and other commitments          | 2023<br>\$'000 | 2022<br>\$'000 |
|----|----------------------------------------|----------------|----------------|
|    | <b>Capital expenditure commitments</b> |                |                |
|    | <i>Contracted but not provided for</i> |                |                |
|    | Shelters                               | 3,475          | 1,549          |

The Society is in the process of a multi-staged re-development. The capital commitments are contracted costs in relation to the re-development.

## 20 Charitable Fundraising Act 1991

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

### (a) Fundraising appeals

Staff, members 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:

#### Gross proceeds from the fundraising appeals

|                                         |        |        |
|-----------------------------------------|--------|--------|
| Head office                             |        |        |
| Donations                               | 8,634  | 8,843  |
| Fundraising                             | 7,020  | 7,028  |
| Branches                                |        |        |
| Donations                               | 71     | 113    |
| Fundraising                             | 81     | 76     |
| Gross proceeds from fundraising appeals | 15,806 | 16,060 |

#### Cost of fundraising appeals

|                                    |         |         |
|------------------------------------|---------|---------|
| Head office                        | (4,273) | (3,699) |
| Branches                           | (21)    | (11)    |
| Total costs of fundraising appeals | (4,294) | (3,710) |

|                                       |        |        |
|---------------------------------------|--------|--------|
| Net surplus obtained from fundraising | 11,512 | 12,350 |
|---------------------------------------|--------|--------|

Costs of fundraising appeals noted above is mainly comprised of costs for events and communications with supporters of the Society who may ultimately bequeath assets to the Society. Income from fundraising appeals does not include assets bequeathed by supporters, as bequest and legacy income is not deemed a fundraising appeal pursuant to the Charitable Fundraising Act 1991. Accordingly, in assessing the return on costs of fundraising appeals, regard should be made to the bequest and legacy income also generated from these activities.

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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

| <b>20</b>  | <b>Charitable Fundraising Act 1991 (continued)</b>                                | <b>2023</b>     | <b>2022</b>     |
|------------|-----------------------------------------------------------------------------------|-----------------|-----------------|
| <b>(b)</b> | Statement showing how funds received were applied to charitable purposes:         | <b>\$'000</b>   | <b>\$'000</b>   |
|            | Net surplus from fundraising appeals                                              | 11,512          | 12,350          |
|            | <i>Net surplus was applied to the charitable purpose in the following manner:</i> |                 |                 |
|            | Funding RSPCA Inspectors                                                          | (7,863)         | (7,241)         |
|            | Animal shelter facilities for stray, abandoned and abused animals                 | (22,415)        | (20,821)        |
|            | Veterinary clinic services                                                        | (11,756)        | (10,666)        |
|            | Expenditure on support services                                                   | (18,447)        | (16,126)        |
|            | Volunteer branches                                                                | (589)           | (672)           |
|            | Expenditure for bushfire relief                                                   | (221)           | (348)           |
|            |                                                                                   | <u>(61,291)</u> | <u>(55,874)</u> |
|            | Shortfall                                                                         | <u>(49,779)</u> | <u>(43,524)</u> |

## **21 Related parties**

### **(a) Transactions with key management personnel (KMP)**

#### **(i) KMP and Directors compensation**

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

The KMP compensation was \$992,016 for the financial year ended 30 June 2023 (2022: \$1,078,558). In addition post employment benefits (superannuation contributions) amounted to \$97,348 for the financial year ended 30 June 2023 (2022: \$96,092).

The KMP for the financial year ended 30 June 2023 included termination benefits/entitlements of nil (2022: nil).

There are no contractual termination benefits in respect of any employee.

#### **(ii) KMP and Director transactions**

The Society may engage the services of Directors to provide their professional services at arm's length rates of remuneration. No services were provided during the financial year ended 30 June 2023.

No amount was owed to any Director as at 30 June 2023 (2022: nil).

Transactions between the Society and its KMP arising in the ordinary course of business have been conducted on an arm's length basis.



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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

### 21 Related parties (continued)

#### (b) Branches

|                                 |                  |
|---------------------------------|------------------|
| Albury                          | Orange           |
| Armidale                        | Port Macquarie   |
| Bathurst                        | Tamworth         |
| Blue Mountains                  | Taree            |
| Broken Hill                     | Tenterfield      |
| Central West Group              | Tweed Shire      |
| Cooma                           | Shoalhaven       |
| Eurobodalla                     | Wagga Wagga      |
| Glen Innes                      | Sydney Auxiliary |
| Goulburn and Southern Highlands |                  |
| Gunnedah                        |                  |
| Illawarra                       |                  |
| Inverell                        |                  |
| Kempsey                         |                  |

### 22 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.

### 23 Subsequent events

There have not been any matters or circumstances that have occurred subsequent to the end of the financial year that have 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.

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

## Notes to the financial statements (continued)

For the financial year ended 30 June 2023

### 24 Parent entity financial information

The Society is the parent entity which has 100% of the share capital of Hansons Properties Pty Ltd (ABN 67 000 382 721) (Hansons) which was acquired as a bequest. Hansons owns a property which is leased on commercial terms.

The following information below are the financial results of the parent entity alone:

| Result of parent entity                           | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------------------------|----------------|----------------|
| (Deficit)/surplus for the financial year          | (302)          | 12,639         |
| Other comprehensive income                        | 1,888          | (4,540)        |
| Total comprehensive income for the financial year | 1,586          | 8,099          |

### Financial position of the parent entity at period end

|                                          |                |                |
|------------------------------------------|----------------|----------------|
| Current assets                           | 34,565         | 25,871         |
| Non-current assets                       | 144,538        | 130,015        |
| <b>Total assets</b>                      | <b>179,103</b> | <b>155,886</b> |
| Current liabilities                      | 42,760         | 19,407         |
| Non-current liabilities                  | 404            | 2,126          |
| <b>Total liabilities</b>                 | <b>43,164</b>  | <b>21,532</b>  |
| <b>Total equity of the parent entity</b> |                |                |
| Revaluation reserve                      | 5,411          | 3,524          |
| Accumulated funds                        | 130,528        | 130,829        |
| <b>Total equity</b>                      | <b>135,939</b> | <b>134,353</b> |

### 25 Remuneration of auditors

|                              |           |           |
|------------------------------|-----------|-----------|
| Audit services               | 81        | 75        |
| Assurance and other services | 13        | 19        |
| <b>Total remuneration</b>    | <b>94</b> | <b>94</b> |

# 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 consolidated financial statements and notes that are set out on pages 10 to 30 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 2023 and of its performance, for the financial year ended on that date;
  - (ii) complying with Australian Accounting Standards – Simplified Disclosure 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:

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Dr Peter Wright  
*President*

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Mr Stewart Thompson  
*Treasurer*

*Dated at Sydney this 25th day of September 2023*

**The Royal Society for the Prevention of Cruelty to Animals New South Wales  
Declaration by Executive Officer in accordance with the Charitable Fundraising  
For the year ended 30 June 2023**

I, Peter Wright, President of The Royal Society for the Prevention of Cruelty to Animals New South Wales,  
state that in my opinion:

- (a) the consolidated 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 2023;
- (b) the consolidated 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 2023;
- (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 2023; 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.

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Dr Peter Wright  
President

*Dated at Sydney this 25th day of September 2023*





# Independent Auditor's Report

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

## Opinion

We have audited the **Financial Report**, of The Royal Society Prevention of Cruelty to Animals New South Wales (the "Society") and its controlled entities (the "**Group**").

In our opinion the accompanying Financial Report of the **Group** is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and the *Charitable Fundraising Act (NSW) 1991* including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The **Financial Report** comprises:

- I. Consolidated statement of financial position as at 30 June 2023.
- II. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- III. Notes including a summary of significant accounting policies.
- IV. Directors' declaration.
- V. Declaration by the President.

The **Group** consists of The Royal Society Prevention of Cruelty to Animals New South Wales and the entities it controlled at the year-end or from time to time during the financial year.

## 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



We confirm that the independence declaration required by the *ACNC Act 2012*, which has been given to the Directors of the Group, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

### Other information

Other Information is financial and non-financial information in Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the *ACNC Act 2012 and ACNCR*.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations.
- iii. 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.
- iv. Assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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 Group 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 this Financial Report.

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

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group'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 registered Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Group 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

Cameron Roan

Partner

Sydney

27 September 2023