

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

ABN 87 000 001 641

General Purpose Financial Report - Tier 2  
(Simplified Disclosures)

30 June 2022

# 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 2022

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 2022 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:

	<b>Appointed</b>	<b>Resigned</b>
Dr Peter Wright, President	22 January 2002	
Dr Ian Roth, Vice President	25 March 2017	
Mr Stephen Rushton SC, Vice President	25 June 2019	
Mr Graham Hall, Director	19 April 1984	
Mr Stewart Thompson, Treasurer	8 June 2022	
Ms Sarah Cruickshank, Director	3 August 2010	
Mr Donald Richmond Robinson, Director	30 October 2014	
Mr Peter O'Callaghan, Co-opted Director for 4 years	25 March 2019	
Ms Mia Steele, Co-opted Director for 4 years	27 July 2020	
Ms Margaret Gaal, Director	30 November 2020	
Mr Mark Steele SC, Co-opted Director for 4 years	16 July 2021	
Mr Brian Pickup, Treasurer	13 June 2017	13 June 2022

#### **Name and responsibilities**      **Qualifications, experience and other directorships**

Dr P Wright  
*President*

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 2022**

### **1 Directors (continued)**

<b>Name and responsibilities</b>	<b>Qualifications, experience and other directorship</b>
Mr S Rushton SC <i>Vice President</i>	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 G Hall <i>Director</i>	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.
Mr S Thompson <i>Treasurer</i>	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.
Ms S Cruickshank <i>Director</i>	Ms S Cruickshank is currently a Senior Executive in the NSW Department of Premier and Cabinet 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 <i>Director</i>	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 2022

### 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 Andrew Kerr Care Ltd.

Ms M Steele  
*Co-opted Director*

Ms M Steele is a life member of RSPCA NSW and has been a supporter of the RSPCA since childhood. She has a law degree from Oxford University and has worked as a volunteer with a number of community organisations in NSW over many years, including RSPCA NSW, where she worked with the Education Team and assisted in fundraising activities.

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 M Steele SC  
*Co-opted Director*

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 Brian Pickup  
*Treasurer*

Mr B Pickup is a chartered accountant who was formerly a partner at Deloitte Touche Tohmatsu. His work involves accounting for businesses, as well as various not-for-profit organisations. As a registered company auditor with over 25 years' experience, his work often requires him to provide expert evidence in litigation matters, which involve accounting and business issues. He is interested in all aspects of the RSPCA, and particularly with assisting in financial matters.

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

## Director's Report (continued)

For the financial year ended 30 June 2022

### 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	9	9
Dr Ian Roth, Vice President	9	9
Mr Stephen Rushton SC, Vice President	8	9
Mr Graham Hall, Director	9	9
Mr Stewart Thompson, Treasurer	1	1
Ms Sarah Cruickshank, Director	5	9
Mr Donald Robinson, Director	7	9
Mr Peter O'Callaghan, Co-opted Director	9	9
Ms Mia Steele, Co-opted Director	9	9
Ms Margaret Gaal, Director	6	9
Mr Mark Steele SC, Co-opted Director	8	9
Mr Brian Pickup, Treasurer	9	9
Mr Steve Coleman (Company Secretary, CEO)	9	9

### 3 Principal activities, objectives and strategies

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

There were no significant changes in the nature of the activities of the Society during the 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 2022

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

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

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

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

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

#### *Measures of performance*

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.

### 6 Impact of COVID-19

The coronavirus (COVID-19) has had an impact on the Society's operations and activities, however the Society expects the impact to be significantly reduced moving forward.

### 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 2022.

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 24th day of September 2022



# 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 2022 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

24 September 2022



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 2022

In AUD '000

	<b>Note</b>	<b>2022</b>	<b>2021</b>
Revenue	4(a)	33,124	37,382
Operating expenses	6	(59,391)	(56,830)
<b>Deficit before legacies and grants</b>		<b>(26,267)</b>	<b>(19,448)</b>
Bequests	4(b)	34,589	18,165
Government grants	4(b)	2,998	8,385
<b>Surplus before finance income</b>		<b>11,320</b>	<b>7,102</b>
Finance income		1,655	2,322
Finance expenses		(184)	(157)
<b>Net financing income</b>	5	<b>1,471</b>	<b>2,165</b>
<b>Surplus before income tax expense</b>		<b>12,791</b>	<b>9,267</b>
Income tax expense		-	-
<b>Surplus for the financial year</b>		<b>12,791</b>	<b>9,267</b>
<b>Other comprehensive income</b>			
Net gains and losses on equity investments at FVOCI		(4,540)	5,869
<b>Total comprehensive income for the financial year</b>		<b>8,252</b>	<b>15,136</b>

The accompanying notes on pages 13-28 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

As at 30 June 2022

In AUD '000

	<i>Note</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
Cash and cash equivalents	7	16,693	11,720
Trade and other receivables	8	1,109	1,078
Inventories	9	796	663
Other assets	10	402	367
Financial assets	11	7,160	16,185
<b>Total current assets</b>		<b>26,160</b>	<b>30,013</b>
Financial assets	11	44,770	47,915
Property, plant and equipment	12	70,015	64,603
Investment properties	13	13,660	7,670
Right-of-use assets	17	62	156
<b>Total non-current assets</b>		<b>128,507</b>	<b>120,344</b>
<b>Total assets</b>		<b>154,668</b>	<b>150,357</b>
<b>Liabilities</b>			
Trade and other payables	14	6,025	7,701
Provisions	16	4,922	4,765
Deferred income	15	8,768	11,138
Lease liability	17	88	59
<b>Total current liabilities</b>		<b>19,803</b>	<b>23,663</b>
Provisions	16	394	341
Lease liability	17	-	134
<b>Total non-current liabilities</b>		<b>394</b>	<b>475</b>
<b>Total liabilities</b>		<b>20,196</b>	<b>24,137</b>
<b>Net assets</b>		<b>134,470</b>	<b>126,219</b>
<b>Accumulated funds and reserves</b>			
Accumulated funds		130,946	118,155
Reserves		3,524	8,064
<b>Total accumulated funds and reserves</b>		<b>134,470</b>	<b>126,219</b>

The accompanying notes on pages 13-28 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 2022

<i>In AUD '000</i>	<b>Revaluation reserve</b>	<b>Accumulated funds</b>	<b>Total</b>
Balance at 1 July 2020	2,195	108,888	111,083
Surplus for the year	-	9,267	9,267
Net gain on equity investments at FVOCI	5,869	-	5,869
<b>Total comprehensive income for the financial year</b>	<b>5,869</b>	<b>9,267</b>	<b>15,136</b>
<b>Balance as at 30th June 2021</b>	<b>8,064</b>	<b>118,155</b>	<b>126,219</b>
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 at 30th June 2022</b>	<b>3,524</b>	<b>130,946</b>	<b>134,470</b>

The accompanying notes on pages 13-28 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 2022

In AUD '000

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Receipts from members and customers	18,017	18,415
Payments to suppliers and employees	(57,393)	(56,443)
Donations received	8,955	7,725
Bequests received <sup>1</sup>	27,751	13,192
Government grants	1,266	17,507
Jobkeeper/Job saver receipts	1,250	9,193
<b>Net cash (used in)/from operating activities</b>	<b>(153)</b>	<b>9,589</b>
<b>Cash flows from investing activities</b>		
Net finance receipts	2,071	2,165
Reinvestment of net finance receipts	(2,071)	(2,165)
Rent received	440	415
Proceeds from sale of assets held for sale	-	620
Proceeds from sale of investment property	2,590	558
Proceeds from sale of property plant and equipment	5,558	3,820
Payment for property plant and equipment	(12,651)	(17,703)
Liquid investments realised	9,190	-
<b>Net cash (used in)/from investing activities</b>	<b>5,127</b>	<b>(12,290)</b>
Net increase/(decrease) in cash and cash equivalents	4,973	(2,701)
Cash and cash equivalents at beginning of year	11,720	14,421
<b>Cash and cash equivalents at the of the financial year</b>	<b>16,693</b>	<b>11,720</b>

1. The Group receives bequest 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 13-28 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 2022**

### **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 23. The financial statements are as at and for the financial year ended 30 June 2022.

### **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.

These consolidated financial statements are the first to be prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The adoption of the new Australian Accounting Standard has not had a material effect on the content or format of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 September 2022.

#### **(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(p).

### **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 2022

### 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 20.

#### (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 2022

### 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

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

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

Capital works in progress represents expenditure on unfinished capital project.

# 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 2022

### 3 Significant accounting policies (continued)

#### (d) Leases

Leases which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for in accordance with AASB 16.

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.

#### (e) 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.

#### *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 2022

### 3 Significant accounting policies (continued)

#### (e) 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.

##### *Bequests*

Bequests are recognised when the Society is notified of an impending distribution or the bequest is received, whichever occurs earlier.

Revenue from bequests 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.

#### (f) 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 19 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 bequests are not treated as fundraising income when determining information required under the Act.

##### *Costs of fundraising:*

Costs used in Note 19 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 19.

#### (g) 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 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 2022

### 3 Significant accounting policies (continued)

#### (h) 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.

#### (i) Income tax

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

#### (j) 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.

#### (k) Investment property

Investment properties are properties held to earn rentals and/or capital appreciation. Where such property is acquired by legacy, investment properties are measured initially at deemed cost being fair value as per note 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.

#### (l) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and short term deposits.

#### (m) Trade and other receivables

Trade receivables, which comprise amounts due from sales of merchandise and from services provided to residents 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.

#### (n) 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.

#### (o) 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 2022

### 3 Significant accounting policies (continued)

#### (p) 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.

##### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in determining the Society's response to the Coronavirus (COVID-19) pandemic, principally addressing the range of services offered, the methods of fund raising, staffing levels and operating arrangements such as working from home. There has not been any significant impact upon the financial statements arising from the Coronavirus (COVID-19) pandemic.

##### *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.

#### (q) 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.

#### (r) 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 2022

<b>4</b>	<b>Revenue</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>(a)</b>	<i>Operating revenue</i>		
	Donations	8,955	7,725
	Royalty	111	17
	Profit on sale of property	4,369	1,044
	Membership subscriptions	22	19
	Fees for service – animals	5,832	7,240
	Sale of goods	909	973
	Sale of animals	1,770	2,383
	Rent	440	395
	Court fines and costs	410	309
	Fundraising	7,104	6,665
	Sundry income	1,952	1,419
	Jobkeeper	50	9,193
	Jobsaver	1,200	-
		<hr/> 33,124	<hr/> 37,382
		<hr/> <hr/>	<hr/> <hr/>
<b>(b)</b>	<i>Other revenue</i>		
	Bequests	34,589	18,165
	Government grants	2,998	8,385
		<hr/> 37,587	<hr/> 26,550
		<hr/> <hr/>	<hr/> <hr/>
<b>5</b>	<b>Net finance income</b>		
	Interest income	34	89
	Distribution income	2,104	1,418
	Realised (loss)/gain	(483)	815
	Finance income	<hr/> 1,655	<hr/> 2,322
		<hr/> <hr/>	<hr/> <hr/>
	Management fees	(184)	(157)
	Finance expenses	<hr/> (184)	<hr/> (157)
		<hr/> <hr/>	<hr/> <hr/>
	Net finance income	<hr/> 1,471	<hr/> 2,165
		<hr/> <hr/>	<hr/> <hr/>

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 2022

<b>6</b>	<b>Operating expenses</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
	<i>An analysis of the Society's operating expenses for the year is as follows:</i>		
	Salaries and wages expenses	32,439	30,622
	Contributions to defined superannuation contribution plans	2,914	2,662
	Depreciation of investment properties	82	103
	Depreciation of non-current assets	4,137	3,613
	Depreciation of right of use assets	116	117
	Bad debts expenses	62	59
	Administration expenses	8,304	7,824
	Animal related expenses	3,777	3,966
	Purchase of merchandise	556	427
	Repairs and maintenance	751	1,456
	Fundraising expenses	3,710	3,425
	Rent expenses	88	75
	Interest expense-right of use leases	4	7
	Other occupancy expenses	279	199
	Other expenses	2,173	2,275
		<u>59,391</u>	<u>56,830</u>
<b>7</b>	<b>Cash and cash equivalents</b>		
	Cash at bank and short term deposits	16,665	11,692
	Cash on hand	29	28
		<u>16,693</u>	<u>11,720</u>
<b>8</b>	<b>Trade and other receivables</b>		
	Trade receivables	1,504	1,387
	Bequests receivable	-	3
	Less: Allowance for doubtful debts	(395)	(312)
		<u>1,109</u>	<u>1,078</u>
	<i>Allowance for doubtful debts</i>		
	Opening balance	312	343
	Impairment losses/ (amounts recovered) on receivables	83	(31)
	Closing balance	<u>395</u>	<u>312</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 2022

<b>9</b>	<b>Inventories</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
	Finished goods	796	663
<b>10</b>	<b>Other assets</b>		
	Prepayments	402	367
<b>11(a)</b>	<b>Financial assets</b>		
	<b>Current</b>		
	Financial assets at amortised cost		
	Term deposits (> 3 months maturity)	7,160	16,185
		<u>7,160</u>	<u>16,185</u>
	<b>Non-current</b>		
	Equity instruments at FVOCI		
	Shares held at market value	43,875	47,086
	Unlisted trusts and shares at market value	896	829
		<u>44,770</u>	<u>47,915</u>
<b>11(b)</b>	<b>Movements in investments</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Current assets-term deposits</b>		
	Balance at beginning of financial year	16,185	9,500
	Transfer (to)/from non-current investments	(9,025)	6,685
	Balance at end of financial year	<u>7,160</u>	<u>16,185</u>
	<b>Non-currents assets: listed and unlisted securities</b>		
	Balance at beginning of financial year	47,915	38,315
	Dividends and interest reinvested	2,070	1,478
	Management fees	(184)	(156)
	Transfer (to)/from cash and cash equivalents	(9,190)	6,465
	Transfer from/(to) current investments	9,025	(6,685)
	In specie bequests received	157	1,814
	Realised surplus/(losses)	(483)	815
	Fair value adjustment at 30 June 2022	(4,540)	5,869
	Balance at end of financial year	<u>44,770</u>	<u>47,915</u>

## 12 Property, plant and equipment

	Capital works in progress \$	Land and Buildings \$	Motor vehicles \$	Plant furniture and equipment \$	Computer and intangible asset \$	Total \$
<i>In AUD '000</i>						
<b>Cost</b>						
Balance at 1 July 2021	12,061	67,032	5,475	7,477	1,471	93,516
Additions	4,007	3,153	4,099	590	802	12,651
Transfers	(457)	126	332	-	-	-
Disposals	-	(414)	(3,693)	(130)	0	(4,237)
<b>Balance as at 30 June 2022</b>	<b>15,611</b>	<b>69,897</b>	<b>6,213</b>	<b>7,937</b>	<b>2,273</b>	<b>101,930</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 July 2021	-	(21,613)	(968)	(6,120)	(212)	(28,913)
Depreciation for the year	-	(2,106)	(1,094)	(377)	(494)	(4,071)
Disposals	-	115	826	129	-	1,069
<b>Balance as at 30 June 2022</b>	<b>-</b>	<b>(23,604)</b>	<b>(1,236)</b>	<b>(6,368)</b>	<b>(706)</b>	<b>(31,915)</b>
<b>Carrying amount</b>						
At 1 July 2021	12,061	45,418	4,507	1,358	1,259	64,603
At 30 June 2022	15,611	46,293	4,976	1,569	1,567	70,015

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 2022

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>13 Investment properties</b>		
At cost	7,670	4,492
Additions	6,750	3,877
Disposals	(685)	(590)
Accumulated depreciation	(75)	(109)
	<u>13,660</u>	<u>7,670</u>
<b>14 Trade and other payables</b>		
Trade payables	1,615	2,909
Other payables and accruals	4,410	4,792
	<u>6,025</u>	<u>7,701</u>
<b>15 Deferred income</b>		
Capital grant	<u>8,768</u>	<u>11,138</u>
<b>16 Provisions</b>		
Employee benefits- current	4,922	4,765
Employee benefits- non-current	394	341
	<u>5,316</u>	<u>5,106</u>
<b>17 Right-of-use and lease liability</b>		
<p>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</p>		
<p>Information about other property leases accounted for in accordance with AASB 16 is presented below:</p>		
<b>(i) Right-of-use assets</b>		
Opening balance	156	394
Additions	22	47
Less: Accumulated depreciation	(116)	(285)
Closing balance	<u>62</u>	<u>156</u>
<b>(ii) Lease liability</b>		
Current	88	59
Non-current	-	134
	<u>88</u>	<u>193</u>
<b>(iii) Amount recognised in profit or loss</b>		
Interest on lease liabilities	4	7
Depreciation on right-of-use assets	116	117



# 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 2022

<b>18</b>	<b>Capital and other commitments</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Capital expenditure commitments</b>		
	<i>Contracted but not provided for</i>		
	Shelters	1,549	2,512

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

### 19 Charitable Fundraising Act 1991

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

#### (a) Fundraising appeals

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

Gross proceeds from the fundraising appeals	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Head office		
Donations	8,843	7,715
Fundraising	7,028	6,583
Branches		
Donations	113	10
Fundraising	76	83
Gross proceeds from fundraising appeals	<u>16,060</u>	<u>14,391</u>
Cost of fundraising appeals		
Head office	(3,699)	(3,421)
Branches	(11)	(7)
Total costs of fundraising appeals	<u>(3,710)</u>	<u>(3,428)</u>
Net surplus obtained from fundraising	<u>12,350</u>	<u>10,963</u>

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

# 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 2022**

### **19 Charitable Fundraising Act 1991 (continued)**

(a) *Fundraising appeals (continued)*

Costs of fundraising appeals noted above includes amongst other things, 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.

(b) Statement showing how funds received were applied to charitable purposes:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net surplus from fundraising appeals	12,350	10,963
<i>Net surplus was applied to the charitable purpose in the following manner:</i>		
Funding RSPCA Inspectors	(7,241)	(6,485)
Animal shelter facilities for stray, abandoned and abused animals	(20,821)	(20,249)
Veterinary clinic services	(10,666)	(11,227)
Expenditure on support services	(16,126)	(14,197)
Volunteer branches	(672)	(989)
Expenditure for bushfire relief	(348)	(413)
	<hr/>	<hr/>
	(55,874)	(53,560)
Shortfall	<hr/>	<hr/>
	(43,524)	(42,597)

# 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 2022

### 20 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 \$1,078,558 for the financial year ended 30 June 2022 (2021: \$1,117,112). In addition post employment benefits (superannuation contributions) amounted to \$96,092 for the financial year ended 30 June 2022 (2021: \$100,785).

The KMP for the financial year ended 30 June 2022 included termination benefits/entitlements of 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 2022.

No amount was owed to any Director as at 30 June 2022 (2021: nil).

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

During the financial year, William Beerden (General Manager, Regulation & Business Services) a member of the KMP purchased an investment property held by the Society which had been identified for sale. The sale was approved by the Board.

The consideration for the sale of \$1,825,000 was in line with an independent valuation commissioned by the Directors and settlement was on arm's length terms.

#### (b) Branches

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

# 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 2022

### 21 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.

### 22 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.

### 23 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:

<b>Result of parent entity</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit for the financial year	12,639	9,302
Other comprehensive income	(4,540)	5,869
<b>Total comprehensive income for the financial year</b>	<b>8,099</b>	<b>15,171</b>

Financial position of the parent entity at period end

Current assets	25,871	33,405
Non-current assets	130,015	118,188
<b>Total assets</b>	<b>155,886</b>	<b>151,593</b>
Current liabilities	19,407	23,300
Non-current liabilities	2,126	2,038
<b>Total liabilities</b>	<b>21,532</b>	<b>25,338</b>

#### **Total equity of the parent entity**

Revaluation reserve	3,524	8,064
Accumulated funds	130,829	118,191
<b>Total equity</b>	<b>134,353</b>	<b>126,255</b>

### 24 Remuneration of auditors

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit services	75	79
Other services	-	-
<b>Total remuneration</b>	<b>75</b>	<b>79</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

- (a) the Society is not publicly accountable;
- (b) the consolidated financial statements and notes that are set out on pages 9 to 28 are in accordance with the
  - (i) giving a true and fair view of the Society's financial position as at 30 June 2022 and of its financial year ended on that date;
  - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Australian 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 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 24th day of September 2022

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 financial year ended 30 June 2022**

I, Peter Wright, President of The Royal Society for the Prevention of Cruelty to Animals New South Wales,  
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 2022;
- (b) the consolidated statement of financial position gives a true and fair view of the state of affairs with June 2022;
- (c) the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to financial year ended 30 June 2022; and
- (d) the internal controls exercised by The Royal Society for the Prevention of Cruelty to Animals New accounting for all income received and applied from any fundraising appeals.



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Dr Peter Wright  
*President*

Dated at Sydney this 24th day of September 2022



# Independent Auditor's Report

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

## Report on the Audit of the Financial Report

### 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 (NSW) Act 1991*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its financial performance 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 Regulation 2013*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2022.
- 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.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

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 *ACNC Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics*

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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 the 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 Board Members for the Financial Report

The Board Members are responsible for:

- 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*.
- Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991 and Regulations*.
- 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 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:

- 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.

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 Board members.
- iv. Conclude on the appropriateness of the Boards 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 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulation.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

## Report on Other Legal and Regulatory Requirements

### Opinion Pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2022;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2021 to 30 June 2022, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2021 to 30 June 2022 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and

there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

KPMG

Cameron Roan

Partner

Sydney

28 September 2022