

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

Annual report for the financial year ended 30 June 2011

**The Royal Society for the Prevention of Cruelty to Animals New South Wales
Annual Financial Report
for the Financial Year Ended 30 June 2011**

	Pages
Directors' report	1 – 3
Auditors' independence declaration	4
Independent auditor's report	5 – 6
Directors' declaration	7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 – 30
Detailed income and expenditure statement – unaudited	31 – 32

Directors' report

The directors of The Royal Society for the Prevention of Cruelty to Animals New South Wales ("the Society") submit herewith the annual financial report of the Society for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the Society during or since the end of the financial year are:

Directors

Dr Peter Wright, President	Mrs Dulcie Goldstien, Vice President
Mr Graham Hall, Vice President	Mr Paul O'Donnell, Director
Mr Doug Dean, Treasurer	Mrs Carol Youdan, Director
Ms Wendy Barrett, Director	Ms Sarah Cruickshank, Director
Mr Andrew Givney, Director	Ms Jodhi Meares, Director

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

Ms Sarah Cruickshank, Director – Appointed 3 August 2010

Mr Andrew Givney, Director – Appointed 3 August 2010

Ms Jodhi Meares, Director – Resigned 26 July 2010

Particulars of directors

The following particulars are given in respect of each of the Directors of the Society:

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

Mr G Hall – Mr Hall has been an RSPCA Board member for over 20 years. Mr Hall is a grazier and a partner in a family property near Young raising shorthorn cattle, fine wool merino sheep and crops.

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

Ms W Barrett Exec MBA, B Bus Dip Corporate Director, Grad Dip IR – Ms Barrett has held a previous role of President of the RSPCA Auxiliary and has a special interest in progressing animal welfare, animal care and ethics. She is chair of the RSPCA NSW Animal Welfare Policy Committee and is a member of the Animal Care and Ethic Committee at the University of Western Sydney. She is Manager of Business Strategy and Reporting for the Department of Transport.

Mrs D Goldstien – Mrs Goldstien's father was a farrier/blacksmith in South Africa, and during her youth she shared her life with many farm and domestic animals which were cared for by the family. Today her life remains dominated with animals, and as a Director of Annangrove Dog Training Centre, her greatest joy is to work with and rehabilitating problem dogs. She has had the opportunity to teach children the correct ways to treat animals and enjoys this immensely. She was granted Honorary Life Membership of RSPCA NSW 1979 and has always been proud to support this organisation.

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

Directors' report (cont'd)

Mrs C Youdan OAM – Mrs Youdan joined the RSPCA through the Taree branch in 1979 and has held all branch positions at some time including five years as voluntary branch Inspector, when the nearest Inspector was over three hours away. Joined the board in 1996. Awarded the order of Australia Medal for service to the community through RSPCA in 2001. Granted Life Honorary Membership in 2007.

Ms Sarah Cruickshank - Sarah Cruickshank is the Managing Director of public affairs company Parker & Partners and co-founder and Managing Director of OgilvyEarth. She has fifteen years' experience in developing and implementing complex communications campaigns on behalf of government, business and the community and since joining Parker & Partners/Ogilvy in 2002 has led a number of flagship award winning client accounts including the Department of Foreign Affairs & Trade, WMC Resources, the Taskforce On Care Costs and Bell Shakespeare.

Andrew Givney - Andrew Givney is a Barrister at Law.

Company secretary

Mr S Coleman- Mr Coleman is the Chief Executive Officer of the RSPCA and the Society secretary.

Principal activities

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

Results

The net surplus of the Society for the year from principal activities was \$10,661,409 (2010: surplus \$232,017).

Dividends

The Society is a non-profit organization and no dividends are payable.

Review of operations

During the financial year, the Society conducted the activities described above resulting in the surplus as shown above. This surplus was predominately derived from legacies received during the financial year.

Changes in state of affairs

There was no significant change in the state of affairs of the Society during the financial year.

Subsequent events

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

Future developments

It is the expectation of the Directors that the Society will further expand its activities where possible in the prevention of cruelty to animals and it is expected that the cost of these operations will increase but will be met from the traditional sources of income available to the Society.

Directors' report (cont'd)

Directors' benefits

Since the end of the previous financial year, no Director of the Society has received or has become entitled to receive a benefit by reason of a contract made by the Society or a related corporation with him or her or with a firm of which he or she is a member or with a company in which he or she has a substantial financial interest, other than disclosed in note 24 to the financial statements.

Indemnification of officers and auditors

During the financial year, the Society paid a premium in respect of a contract insuring the directors of the Society (as named above), the Society secretary, and all employees of the Society against a liability incurred as such a director, secretary, officer, or employee to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Society has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Society or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the year, there were 8 board meetings held.

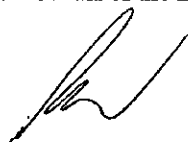
Directors	Board of Directors' Meetings	
	Held	Attended
Dr Peter Wright	8	7
Mr Doug Dean	8	6
Mr Graham Hall	8	8
Mrs Dulcie Goldstien	8	7
Ms Wendy Barrett	8	8
Mr Paul O'Donnell	8	7
Mrs Carol Youdan	8	8
Ms Sarah Cruickshank	6	4
Mr Andrew Givney	6	4

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the financial report.

Signed this 17 of October 2011, in accordance with a resolution of the Directors

On behalf of the Directors



Dr P Wright
President



Mr Douglas Dean
Treasurer

The Board of Directors
RSPCA NSW
P.O. Box 34
Yagoona NSW 2199

17 October 2011

Dear Board Members

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

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of The Royal Society for the Prevention of Cruelty to Animals New South Wales.


As lead audit partner for the audit of the financial statements of The Royal Society for the Prevention of Cruelty to Animals New South Wales for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit ; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Eric Angelucci
Partner
Chartered Accountant

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

We have audited the accompanying financial report of The Royal Society for the Prevention of Cruelty to Animals – New South Wales Inc (“RSPCA NSW”), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration as set out on pages 7 to 30. In addition, we have audited *RSPCA NSW’s* compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2011.

Directors’ Responsibility for the Financial Report and for Compliance with the Charitable Fundraising Act 1991

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine is necessary to enable compliance with requirements of the *Charitable Fundraising Act 1991* and the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the entity’s compliance with specific requirements of the *Charitable Fundraising Act 1991* and the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the entity has complied with specific requirements of the *Charitable Fundraising Act 1991* and the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the entity’s compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity’s compliance with the *Charitable Fundraising Act 1991* and preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in RSPCA NSW's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Charitable Fundraising Act 1991* to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Auditor's Independence Declaration

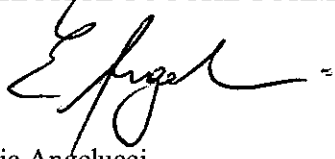
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RSPCA NSW would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of RSPCA NSW is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- (b) the financial report agrees to the underlying financial records of RSPCA NSW, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2011; and
- (c) monies received by RSPCA NSW, as a result of fundraising appeals conducted during the year ended 30 June 2011, have been accounted for and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.


DELOITTE TOUCHE TOHMATSU


Eric Angelucci
Partner
Chartered Accountants
Parramatta, 17 October 2011

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Society and;

Signed in accordance with a resolution of the directors made pursuant to s. 295(5) of the Corporations Act 2001.

On behalf of the Directors



Dr P Wright
President



Mr D Dean
Treasurer

Sydney, 17 October 2011

Declaration in accordance with the Charitable Fundraising Act 1991

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 accompanying Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Society with respect to fundraising appeals; and
- (b) the accompanying Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the Society's fundraising authority have been complied with; and
- (d) internal controls exercised by the Society are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed this 17 October 2011



Dr P Wright
President

Statement of comprehensive income for the financial year ended 30 June 2011

	<u>Note</u>	<u>2011</u> \$	<u>2010</u> \$
Revenue	2	27,731,469	24,599,883
Operating expenses	3	(37,642,012)	(32,932,090)
Finance costs		(72,042)	(296,007)
Operating deficit before legacies and grants		(9,982,585)	(8,628,214)
Legacies		20,219,994	8,432,997
Government grant		424,000	427,234
Surplus for the year		10,661,409	232,017
Other comprehensive income			
Net value profit on available-for-sale financial assets		1,405,286	1,409,368
Total comprehensive income for the year		<u>12,066,695</u>	<u>1,641,385</u>

Notes to the financial statements are included on pages 12 to 30.

Statement of financial position as at 30 June 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	5	6,965,135	5,945,110
Trade and other receivables	6	3,063,447	3,249,746
Inventories	7	733,434	1,546,544
Other Assets	9	335,249	54,168
Total Current Assets		11,097,265	10,795,568
Non-Current Assets			
Financial assets	8	27,503,970	21,193,446
Property, plant and equipment	10	42,108,309	40,002,429
Total Non-Current Assets		69,612,279	61,195,875
Total Assets		80,709,544	71,991,443
Current Liabilities			
Trade and other payables	11	3,341,177	4,155,855
Provisions	12	1,329,118	1,248,130
Borrowings	13	150,462	150,462
Total Current Liabilities		4,820,757	5,554,447
Non-Current Liabilities			
Provisions	12	1,009,676	876,903
Borrowings	13	-	2,747,678
Total Non-Current Liabilities		1,009,676	3,624,581
Total Liabilities		5,830,433	9,179,028
Net Assets		74,879,110	62,812,415
Members' Equity and Specific Funds			
Specific funds	14	346,436	346,436
Accumulated funds	17	73,315,193	62,653,784
Reserves	18	1,217,481	(187,805)
Total Equity and Funds		74,879,110	62,812,415

Notes to the financial statements are included on pages 12 to 30.

Statement of changes in equity for the financial year ended 30 June 2011

	Specific Funds \$	Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2009	346,436	(1,597,173)	62,421,767	61,171,030
Total comprehensive income	-	1,409,368	232,017	1,641,385
Balance at 30 June 2010	346,436	(187,805)	62,653,784	62,812,415
Balance at 1 July 2010	346,436	(187,805)	62,653,784	62,812,415
Total comprehensive income	-	1,405,286	10,661,409	12,066,695
Balance at 30 June 2011	346,436	1,217,481	73,315,193	74,879,110

Statement of cash flows for the financial year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flow from operating activities			
Receipts from members and customers		23,548,329	25,820,810
Payments to suppliers and employees		(38,475,734)	(38,538,991)
Donations received		3,048,419	2,666,056
Legacies received		13,064,050	8,432,997
Government subsidy		424,000	427,234
Subscriptions		36,074	48,485
Interest paid		(72,042)	(296,006)
Net cash inflow/(outflow) from operating activities	20(b)	1,573,096	(1,439,415)
Cash flow from investing activities			
Rent received		638,227	405,881
Interest received		328,337	162,319
Dividends received		1,543,573	977,744
Proceeds for the sale of property, plant and equipment		9,404,576	8,599,809
Payment for property, plant and equipment		(7,300,839)	(6,008,969)
Net (payments)/proceeds for investments		(2,419,267)	740,142
Net cash inflow from investing activities		2,194,607	4,876,926
Cash flow from financing activities			
Repayments from capital works borrowings		(2,747,678)	(793,546)
Net cash outflow from financing activities		(2,747,678)	(793,546)
Net increase/(decrease) in cash and cash equivalents		1,020,025	2,643,965
Cash and cash equivalents at the beginning of the financial year		5,945,110	3,301,145
Cash and cash equivalents at the end of the financial year	20(a)	6,965,135	5,945,110

Notes to the financial statements are included on pages 12 to 30.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law and the Charitable Fundraising Act 1991 (NSW).

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by the directors on 17 October 2011.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Society's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised Accounting Standards

In the current year, the Society has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. There has been no material impact of these changes on the Society's accounting policies.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Branch accounts

The financial statements comprise the accounts of the Society and all its Branches. The financial statements are inclusive of Branch balances at balance date and transactions during the year, after elimination of balances and transactions between Branches and Head Office. A listing of Branches is shown in note 27.

(b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Society in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(e) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Available-for-sale financial assets

Certain shares and redeemable notes held by the Society are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Society's right to receive the dividends is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

Unlisted Trusts

Unlisted trusts are brought to account at market value where received by legacy, otherwise at cost. Distributions are brought to account as they are received.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(f) Government grants

Government grants are assistance by the government in the form of transfers of resources to the Society in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Society other than the requirement to operate in certain regions or industry sectors. Government grants are not recognised until there is reasonable assurance that the Society will comply with the conditions attaching to them and the grants will be received.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

Government grants whose primary condition is that the society should purchase, construct or otherwise acquire long-term assets are recognised as deferred income in the balance sheet and recognised as income on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Society with no future related costs are recognised as income of the period in which it becomes receivable.

(g) Impairment of other tangible assets

At each reporting date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Income tax

The Society is not a taxable entity.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to each particular class of inventory, with all categories being valued on a first in first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Society has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised when the services have been performed.

Royalties

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

Dividend and interest revenue

Dividend revenue from investments is recognised when the Society's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income

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

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

(l) Specific funds

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

(m) Payables

Trade and other payables are recognised when the Society becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Property, plant and equipment

Land and buildings, and plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Land and buildings acquired by Legacy are brought to account at fair value at the date of transfer of ownership, which is taken to be the asset's deemed cost at this time.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculated depreciation:

Buildings	20 years
Animal shelters	20 – 50 years
Motor vehicles	5 years
Plant, furniture and equipment	3 – 10 years

(o) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards.

Society as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Society as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Notes to the financial statements for the financial year ended 30 June 2011

1. Significant accounting policies (Cont'd)

(p) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Society's financial report:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project arising from the Annual Improvements Project. Effective for annual reporting periods beginning on or after 1 January 2011
- AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards Effective for annual reporting periods beginning on or after 1 January 2011
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 Effective for annual reporting periods beginning on or after 1 January 2013
- AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement Effective for annual reporting periods beginning on or after 1 January 2011

The directors have given due consideration to all new and revised standards and interpretations issued by the AASB that are not yet effective and have not been adopted in this financial report, and do not believe that they will have a material impact on the financial report in the period of initial application.

(q) Comparative amounts

Where required, the figures for the previous year are reclassified to facilitate comparison.

(r) Correction of error and revision of estimates

These Financial Statements contain a correction of a prior period reclassification error resulting in a restatement of comparatives. This reclassification is a result of prior period profits on Investments that had not been recycled from the available for sale reserve to the statement of comprehensive income. The correction resulted in a reclassification of amounts within the total equity of the Society. The amount of correction and the financial statement line items affected for the prior period are as follows:

	2010 amount previously disclosed	Adjustment	2010 restated amount
Accumulated Funds	49,035,414	13,618,370	62,653,784
Reserves	13,430,565	(13,618,370)	(187,805)

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
2. Revenue		
An analysis of the Society's revenue for the year, is as follows:		
Donations	3,075,536	2,623,209
Interest received – other entities	328,337	162,319
Dividends received – other entities	2,455,149	977,744
Royalty	71,145	108,530
Gain (Loss) on sale of investments	(471,630)	(354,360)
Profit on sale of property	1,707,642	2,092,478
Membership subscriptions	36,074	35,653
Fees for service - animals	7,518,866	6,748,798
Sale of goods	1,778,589	1,846,506
Sale of animals	2,500,154	2,437,255
Rent	638,227	405,881
Court fines and costs	284,394	134,817
Fundraising	6,376,135	6,474,846
Sundry income	1,432,851	906,207
	<u>27,731,469</u>	<u>24,599,883</u>
3. Operating expenses		
An analysis of the Society's operating expenses for the year, is as follows:		
Depreciation of non-current assets	2,244,314	2,149,315
Bad debts written off	8,826	50,455
Employee benefit expense	19,728,470	17,442,668
Administration	5,638,350	4,774,087
Animal related	3,323,920	2,901,864
Purchase of merchandise	1,435,529	815,692
Repairs and maintenance	591,020	324,498
Fundraising	2,246,623	2,280,990
Occupancy	656,626	558,159
Other	1,768,334	1,634,362
	<u>37,642,012</u>	<u>32,932,090</u>
4. Key management personnel compensation		
The total compensation of the key management personnel of the society is as follows:		
Short term employee benefit	958,395	876,271
Post employment benefit	187,681	159,542
Termination benefits	-	-
	<u>1,146,076</u>	<u>1,035,813</u>

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
5. Cash and cash equivalents		
Cash at bank	6,938,625	5,900,806
Cash on hand	26,510	44,304
	<u>6,965,135</u>	<u>5,945,110</u>
6. Trade and other receivables		
Trade receivables	3,113,447	3,299,766
Allowance for doubtful debts	(50,000)	(50,000)
	<u>3,063,447</u>	<u>3,249,766</u>
7. Inventories		
Finished goods	733,433	1,546,544
8. Financial assets		
Available-for-sale investments carried at fair value:		
Listed Property	795,090	781,399
Shares held at market value	25,865,096	19,596,417
Unlisted Trusts and Shares at market value	843,784	815,632
	<u>27,503,970</u>	<u>21,193,446</u>
	<u>27,503,970</u>	<u>21,193,446</u>
9. Other assets		
Prepayments	335,249	54,168
	<u>335,249</u>	<u>54,168</u>

Notes to the financial statements for the financial year ended 30 June 2011

10. Property, Plant and Equipment

	Capital work in progress at cost	Land at cost	Buildings at cost	Animal Shelters at cost	Motor vehicles at cost	Plant, furniture and equipment at cost	Total
	\$	\$	\$	\$	\$	\$	\$
Net book value							
Balance as at 1 July 2009	480,936	5,992,126	3,203,531	25,423,353	3,541,537	2,599,256	41,240,739
Additions	958,142	222,000	310,509	24,254	5,284,075	628,079	7,427,058
Transfers	-	-	-	-	-	-	-
Disposals	-	(1,947,628)	(181,086)	-	(4,381,567)	-	(6,510,280)
Depreciation expense	-	-	(254,250)	(646,947)	(784,830)	(469,061)	(2,155,088)
Balance as at 30 June 2010	1,439,078	4,266,498	3,078,704	24,800,660	3,659,215	2,758,274	40,002,429
Additions	1,363,238	3,250,000	1,904,712	-	5,213,406	315,772	12,047,128
Transfers	-	-	-	-	-	-	-
Disposals	(605,540)	(1,313,900)	(1,121,767)	-	(4,596,994)	(58,733)	(7,696,934)
Depreciation expense	-	-	(277,036)	(646,834)	(817,004)	(503,440)	(2,244,314)
Balance as at 30 June 2011	2,196,776	6,202,598	3,584,613	24,153,826	3,458,623	2,511,873	42,108,309
Net book value							
As at 30 June 2010	1,439,078	4,266,498	3,078,704	24,800,660	3,659,215	2,758,274	40,002,429
As at 30 June 2011	2,196,776	6,202,598	3,584,613	24,153,826	3,458,623	2,511,873	42,108,309

	2011 \$	2010 \$
11. Trade and other payables		
Trade payables	3,341,177	4,155,855
12. Provisions		
<u>Current</u>		
Employee benefits	1,329,118	1,248,130
<u>Non-Current</u>		
Employee benefits	1,009,676	876,903
	2,338,794	2,125,033

Notes to the financial statements for the financial year ended 30 June 2011

	Note	2011 \$	2010 \$
13. Borrowings			
<u>Unsecured</u>			
At amortised cost			
<u>Current</u>			
Bushfire appeal funds		118,141	118,141
Drought appeal funds		29,578	29,578
Broken Hill appeal funds		2,743	2,743
		<u>150,462</u>	<u>150,462</u>
<u>Non-Current</u>			
Bank loan - capital works		-	2,747,678
		<u>150,462</u>	<u>2,898,140</u>
Disclosed in the financial statements as:			
Current borrowings		150,462	150,462
Non-current borrowings		-	2,747,678
		<u>150,462</u>	<u>2,898,140</u>
14. Specific Funds			
RSPCA DiDi Redford Memorial Trust Fund	15	343,936	343,936
The Winifred & Maurice Neirous Trust Fund	16	2,500	2,500
		<u>346,436</u>	<u>346,436</u>
15. RSPCA DiDi Redford Memorial Trust Fund			
The Fund was established to pay for surgery on cruelty cases, injured strays and unwanted animals.			
Balance at end of year		<u>343,936</u>	<u>343,936</u>
This fund is currently frozen, it is proposed to review with the trustees how to best apply this money. There are allocations in the current shelter and veterinary budgets to provide the services targeted in this trust fund.			
16. The Winifred and Maurice Neirous Trust Fund			
The Fund was established to assist in the purchase of medicines for RSPCA animals from the income earned.			
Balance at end of year		<u>2,500</u>	<u>2,500</u>

Interest has not been accrued for the above specific funds as those funds are not in operation during this financial year.

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
17. Accumulated Funds		
Balance at beginning of financial year	62,653,784	62,421,767
Surplus for the year	10,661,409	232,017
Balance at end of financial year	<u>73,315,193</u>	<u>62,653,784</u>
18. Reserves		
Available-for-sale investments revaluation	<u>1,217,481</u>	<u>(187,805)</u>
Movement:		
Balance at beginning of financial year	(187,805)	(1,597,173)
Net valuation adjustment recognised	1,405,286	1,409,368
Balance at end of financial year	<u>1,217,481</u>	<u>(187,805)</u>
<p>The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit or loss.</p>		
19. Remuneration of auditors		
Auditing of the financial statements:		
Remuneration of the Society auditor	74,240	71,380
Remuneration of other auditors	2,750	3,225
	<u>76,990</u>	<u>74,605</u>

The auditor of the Society is Deloitte Touche Tohmatsu

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
20. Cash Flow Information		
(a) Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	6,965,135	5,945,110
(b) Reconciliation of surplus for the year to net cash flows from operating activities		
Surplus for the year	10,661,409	232,017
Depreciation	2,244,314	2,149,315
Loss/(Profit) on sale of investments	471,630	354,360
(Profit) on sale of Property	(1,707,642)	(2,092,478)
Rent received	(638,227)	(405,881)
Interest received	(328,337)	(162,319)
Dividends received	(2,455,149)	(977,744)
Share investment Legacies received	(2,067,804)	-
Property legacies received	(4,724,509)	-
Movement in working capital		
(Increase)/decrease in assets:		
Trade and other receivables	186,299	(1,889,116)
Inventory	813,111	(284,514)
Other assets	(281,082)	(54,168)
Increase/(decrease) in liabilities		
Trade and other payables	(814,678)	1,462,693
Provisions	213,761	228,420
Net cash outflow from operating activities	1,573,096	(1,439,415)
(c) Financing facilities		
Bank loan facility		
Used	-	2,747,679
Unused	15,000,000	11,430,808
	15,000,000	14,178,487
Commitments for expenditure		
<u>Non-cancellable operating lease commitments</u>		
21. Not longer than 1 year	226,203	280,270
Longer than 1 year and not longer than 5 years	37,604	263,807
	263,807	544,077

Leasing arrangements

Operating leases relates to the office space being rented at Chullora and Rouse Hill. The lease term is to 2012. The Society does not have an option to purchase the leased asset at the expiry of the lease period.

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
22. 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 fundraising appeals:		
Head office		
Donations	2,848,125	2,472,469
Fundraising	6,099,444	6,198,622
Branches		
Donations	227,411	150,739
Fundraising	276,690	276,224
Gross proceeds from fundraising appeals	9,451,670	9,098,054
Cost of fundraising appeals		
Head office	(2,186,534)	(2,224,528)
Branches	(60,089)	(56,462)
Total costs of fundraising appeals	(2,246,623)	(2,280,990)
Net surplus obtained from fundraising appeals	7,205,047	6,817,064
Fundraising from cash donations and cash legacies generally conducted on an honorary basis by members of the Society supported by officers who are employed for specific inspectorial, veterinary or other necessary administrative purposes.		
(b) Fundraising appeals conducted during the financial period – appeals, raffles, stalls, social functions.		
(c) Statement showing how funds received were applied to charitable purposes		
Net surplus from fundraising appeals	7,205,047	6,817,064
Net surplus was applied to the charitable purpose in the following manner		
Funding RSPCA Inspectors	(4,369,121)	(4,626,216)
Animal shelter facilities for stray, abandoned and abused animals	(12,644,497)	(11,282,161)
Veterinary clinic services	(6,936,822)	(6,440,791)
Expenditure on support services	(12,679,130)	(9,885,517)
Shortfall	(36,629,570)	(32,234,685)
	(29,424,523)	(25,417,621)

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
22. Charitable Fundraising Act 1991 (Continued)		
Government grant	454,000	427,234
Legacies	20,219,994	8,432,997
Investment income	2,530,582	1,008,768
Fees for service – animals	7,512,364	6,748,798
Other income – gross	8,206,853	7,744,261
	<hr/>	<hr/>
Total income from other sources	38,923,793	24,362,058

(d) Comparisons by monetary figures and percentages

Total cost of fundraising/gross income from fundraising \$2,246,623 / \$9,451,670 (2010: \$2,280,990 / \$9,098,054)	23.76%	25.07%
Total surplus from fundraising/gross income from fundraising \$7,205,047 / \$9,451,670 (2010: \$6,817,064 / \$9,098,054)	76.23%	76.23%
Total costs of services/total costs \$23,950,806 / \$36,629,570 (2010: \$22,349,168 / \$32,234,685)	65.39%	69.33%
Total costs of services/total income received \$23,950,806 / \$38,923,793 (2010: \$22,349,168 / \$24,362,058)	61.53%	91.74%

23. Superannuation Commitments

A superannuation plan administered by Westpac Financial Services has been established by the Society for the provision of benefits to employees on retirement, death or disability. Benefits provided under the plan are based on contributions for each employee. The Society contributes the maximum level of employer superannuation support. Benefits provided under the plan are based on contributions for each employee under the Superannuation Guarantee Scheme. Employees may elect to contribute various percentages of their gross income to the plan in which case the Society makes additional contributions which are related to the contributions made by the employees. As benefits provided under the plan are based on contributions for each employee, no actuarial review is required.

24. Related Party Transactions

(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties. Mr O'Donnell provides legal services to the Society. Dr Wright, at times, provides veterinary and consulting services.

(b) Identification of Related Parties

The names of directors who held office during the financial year were as follows:

Mr John Graham Hall
 Dr Peter David Wright
 Ms Wendy Maree Barrett
 Mr Douglas Thomas Dean
 Mr Paul O'Donnell
 Mrs Dulcie Goldstien
 Mrs Carol Edna Youdan
 Mr Andrew Givney
 Ms Sarah Cruickshank

Notes to the financial statements for the financial year ended 30 June 2011

25. Contingent Liabilities

As at the date of this report, there are no significant contingent liabilities to note in these financial statements.

26. Financial Instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(a) Capital risk management

The Society manages its capital to ensure that branches in the Society will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Society's overall strategy remains unchanged from 2010. The capital structure of the Society consists of debt, which includes borrowing as disclosed in note 13, cash and cash equivalents and equity attributable to members of the Society comprising of specific funds, accumulated funds and reserves as disclosed in notes 14, 17 and 18 respectively.

Operating cash flows are used to maintain the Society's activities and distribution of assets, as well as to make the routine outflows of repayment of maturing debt.

The Society's policy is to borrow, using borrowing facilities, to meet anticipated funding requirements.

Gearing ratio

The gearing ratio at year end was as follows:

	2011 \$	2010 \$
Financial assets		
Debt (i)	150,462	2,898,140
Cash and cash equivalents	(6,965,135)	(5,945,110)
Net debt	(6,814,673)	(3,046,970)
Equity (ii)	74,879,110	61,812,415
Net debt to equity ratio	-9%	-5%

- i) Debt is consisted of current and non current borrowings as detailed in note 13
- ii) Equity includes specific funds, accumulated funds and reserves

Notes to the financial statements for the financial year ended 30 June 2011

	2011 \$	2010 \$
26. Financial Instruments (cont'd)		
(b) Categories of financial instruments		
Cash and cash equivalents	6,965,135	5,945,110
Loans and receivables	3,063,447	3,249,746
Available-for-sale financial assets	27,503,970	21,193,446

Financial liabilities

Amortised cost	3,491,639	7,053,995
----------------	-----------	-----------

At the reporting date there are no significant concentrations of credit risk.

The carrying amount reflected above represents the Society's maximum exposure to credit risk for loans and receivables.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

(d) Foreign currency risk management

The Society does not have any exposures to foreign currencies at the reporting date (2010: nil).

(e) Interest rate risk

The Society is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, as follow:

2011	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Total \$
			Within Year \$	1 to 5 Years \$	Non- interest Bearing \$	
Financial Assets						
Cash	4.6%	6,938,625	-	-	26,510	6,965,135
Receivables	-	-	-	-	3,063,447	3,063,447
Other financial asset	-	-	-	-	27,503,970	27,503,970
Total Financial Assets	-	6,938,625	-	-	30,593,927	37,532,552
Financial Liabilities						
Payables	-	-	-	-	3,341,177	3,341,177
Provisions	-	-	-	-	2,338,794	2,338,794
Borrowings	-	-	-	-	150,462	150,462
Total Financial Liabilities	-	-	-	-	5,830,433	5,830,433

Notes to the financial statements for the financial year ended 30 June 2011

26. Financial Instruments (cont'd)

2010	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Total \$
			Within Year \$	1 to 5 Years \$	Non- interest Bearing \$	
Financial Assets						
Cash	3%	5,900,806	-	-	44,304	5,945,110
Receivables	-	-	-	-	3,249,746	3,249,746
Other financial asset	-	-	-	-	21,193,446	21,193,446
Total Financial Assets	-	5,900,806	-	-	24,487,496	30,388,302
Financial Liabilities						
Payables	-	-	-	-	4,155,855	4,155,855
Provisions	-	-	-	-	2,125,033	2,125,033
Borrowings	8.25%	2,747,678	-	-	150,462	2,898,140
Total Financial Liabilities	-	2,747,678	-	-	6,431,350	9,179,028

(f) Credit Risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowance for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The Society does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by the Society.

(g) Fair value instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair value.

The net fair value of financial assets and liabilities are determined as follows:

- The net fair value of financial of assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

(h) Other price risks

The Society does not have any exposure to other price risks at the reporting date (2010: nil).

Notes to the financial statements for the financial year ended 30 June 2011

26 Financial Instruments (cont'd)

(i) Liquidity risk management

Liquidity risk is the risk that the Society will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows from holding financial instruments will fluctuate.

The Society's risk management is designated to minimise liquidity and cash flow risk through ensuring that there is no significant exposure to illiquid or thinly traded financial instruments.

27. Branches

Branches:

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

28. Segment Information

The Society operates in one business segment relating to the prevention of cruelty to animals. The Society operates in New South Wales, Australia.

29. General Information

The Royal Society for the Prevention of Cruelty to Animals New South Wales, registered office and its principal place of business are as follows:

201 Rookwood Rd
Yagoona NSW 2199
Tel: (02) 9770 7555

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

DETAILED INCOME AND EXPENDITURE STATEMENT for the year ended 30 June 2011 - UNAUDITED

	Support Services			Shelters			Clinics			Inspectorate			RSPCA NSW			Branches			Consolidation			RSPCA NSW Incl			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
Income	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Donations	2,518,308	2,001,975	264,963	378,472	47,515	35,937	56,084	17,339	2,848,125	2,472,469	227,411	150,739	3,075,535	2,623,209											
Fundraising - gross	6,065,153	6,132,790	30,510	64,048	0	0	3,782	1,785	6,099,445	6,198,622	276,690	276,224	6,376,135	6,474,846											
Government grant	30,000	0	0	0	0	0	424,000	424,000	454,000	424,000	0	3,234	454,000	427,234											
Investments	2,372,732	892,199	2,685	2,047	19,178	19,612	0	0	2,394,596	913,858	135,986	94,910	2,530,582	1,008,768											
Legacies & Bequests	19,314,911	8,360,737	165,177	28,908	448,407	0	0	13,000	19,928,495	8,402,645	291,499	30,352	20,219,994	8,432,997											
Rent received	606,762	361,094	18,751	21,480	0	900	114	0	623,626	383,474	12,603	22,407	638,229	405,881											
Fees for service - animals	44,949	14,430	2,929,097	2,430,377	4,474,868	4,255,065	1,904	0	7,450,818	6,699,872	61,547	48,926	7,512,364	6,748,798											
Internal vet/shelter fees	0	0	0	0	2,374,764	2,313,265	0	0	2,374,764	2,313,265	0	0	-2,374,764	-2,313,265											
Internal vet/inspectors fees	0	0	0	0	333,707	200,839	0	0	333,707	200,839	0	0	-333,707	-200,839											
Internal shelter/inspectors fees	0	0	222,547	182,629	0	0	0	0	222,547	182,629	0	0	-222,547	-182,629											
Internal shelter/clinic	0	0	23,885	8,000	0	0	0	0	23,885	8,000	0	0	-23,885	-8,000											
Internal shelter/pound	0	0	365	0	0	0	0	0	365	0	0	0	-365	0											
Internal shelter/Legacy			787						787	0			-787	0											
Internal Clinic/Legacy	0	0	0	0	36,447	36,198	0	0	36,447	36,198	0	0	-36,447	-36,198											
Internal Clinic/Retail	0	0	0	0	0	618	0	0	0	618	0	0	0	-618											
Internal Subsidies & Donations	0	6,100	0	23,647	0	6,000	0	0	0	35,747	0	21,500	1,798,505	1,846,506											
Sales - other	880,054	911,754	250,043	286,343	90,427	65,260	0	0	1,220,525	1,263,356	577,980	583,150	284,394	134,817											
Court fines & costs	0	2,325	15	470	0	0	284,379	132,022	284,394	134,817	0	0	36,074	35,653											
Subscriptions	35,501	35,599	572	55	0	0	0	0	36,074	35,653	0	0	1,707,642	2,092,478											
Surplus on disposal of non-current assets	1,708,560	2,078,679	0	13,796	-918	0	0	0	1,707,642	2,092,477	0	0	3,742,009	3,228,927											
Other	953,033	430,144	2,522,055	2,444,546	155,128	262,777	35,425	30,126	3,665,641	3,167,594	76,367	61,333	48,375,463	33,460,113											
Total Income	34,529,963	21,227,826	6,431,452	5,884,818	7,979,523	7,196,471	766,943	657,017	49,707,883	34,966,133	1,660,083	1,292,775	-2,992,502	-2,798,796	48,375,463	33,460,113									

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

DETAILED INCOME AND EXPENDITURE STATEMENT for the year ended 30 June 2011 (Continued) -
UNAUDITED

Expenditure	Support Services			Shelters			Clinics			Inspectorate			RSPCA NSW			Branches			Consolidation			RSPCA NSW Incl			
	2011	2010		2011	2010		2011	2010		2011	2010		2011	2010		2011	2010		2011	2010		2011	2010		
		\$	\$		\$	\$		\$	\$		\$	\$		\$	\$		\$	\$		\$	\$		\$	\$	\$
Animal related																									
Food	638	1,380	104,420	4,925	3,272	2,764	5,357	117,040	114,430	25,565	27,988	142,605	142,419												
Medicines	13,553	4,011	272,748	1,555,052	1,533,790	419	621	1,841,772	1,787,166	0	0	1,841,772	1,787,166												
Veterinary expenses	10,537	886	576,696	455,727	9,184	60,235	78,534	668,597	544,331	494,783	427,948	1,163,380	972,279												
Internal shelter/pound	0	0	365	0	0	0	0	365	0	0	0	0	0												
Internal shelter/Legacy			787					787	0																
Internal vet/shelter fees	0	0	2,370,901	2,313,265	3,863	0	0	2,374,764	2,313,265	0	0	-2,374,764	-2,313,265												
Internal vet/inspectors fees	0	0	0	0	0	333,707	198,434	333,707	200,839	0	0	-333,707	-200,839												
Internal shelter/inspectors fees	0	0	0	0	0	222,547	182,629	222,547	182,629	0	0	-222,547	-182,629												
Internal shelter/clinic	0	0	0	0	8,000	0	0	23,885	8,000	0	0	-23,885	-8,000												
Internal Clinic/Legacy	16,601	25,640	19,845	10,557	0	0	0	36,447	36,198	0	0	-36,447	-36,198												
Internal Clinic/Retail	0	618	0	0	0	0	0	0	618	0	0	0	0												
Internal Subsidies & Donations	50,000	21,500	0	0	-50,000	0	0	0	21,500	0	35,747	0	0												
Laboratory	79	0	0	106,339	119,987	1,078	93	107,496	120,080	0	0	107,496	120,080												
Employment,super,fbra,1st etc	4,351,418	3,421,050	7,778,059	4,192,322	3,775,532	2,509,095	2,468,027	19,728,470	17,442,668	0	0	19,728,470	17,442,668												
Investments	352,178	280,635	0	0	0	0	0	352,178	280,635	0	0	352,178	280,635												
Plant and building expenses	576,973	519,769	978,873	331,134	332,101	447,911	438,186	2,334,892	2,261,907	15,052	9,523	2,349,944	2,271,430												
Occupancy costs	357,631	281,849	103,812	90,642	71,952	58,491	123,232	656,626	558,159	0	0	656,626	558,159												
Purchases merchandise	1,151,387	562,698	174,771	140,235	62,734	55,190	0	1,388,892	758,124	47,975	57,568	1,436,867	815,692												
Fundraising	2,181,001	2,212,870	5,436	11,657	0	97	0	2,186,533	2,224,528	60,089	56,462	2,246,623	2,280,990												
Repairs & maintenance	186,906	139,280	315,328	163,895	0	1,301	3,529	503,535	306,704	20,747	17,794	524,282	324,498												
Membership services	171,735	191,524	0	0	0	0	0	171,735	191,524	331	1,390	172,065	192,914												
Receivable costs	-9	24,759	8,596	25,025	2,339	0	0	14,117	52,123	0	0	14,117	52,123												
Board expenses	14,158	18,902	0	0	0	0	0	14,158	18,902	0	0	14,158	18,902												
Legal	212,275	127,367	0	824	0	448,984	733,766	662,083	861,133	0	0	662,083	861,133												
Communication	110,175	127,982	79,965	77,698	34,626	77,579	85,831	302,345	325,847	17,979	21,965	320,324	347,812												
Insurance	66,020	52,460	45,368	45,984	10,358	2,497	2,735	124,243	111,879	1,081	0	125,324	111,879												
Motor vehicle	216,399	176,683	246,164	224,627	45,954	498,345	485,474	1,006,862	923,247	7,916	4,427	1,014,777	927,674												
Auditors remuneration	95,000	54,395	0	0	0	0	0	95,000	54,395	2,890	3,680	97,890	58,074												
Computer expenses	159,753	95,887	3,611	3,190	10,561	5,086	661	179,011	108,715	0	0	179,011	108,715												
RSPCA Australia levy	596,479	213,550	0	0	0	0	0	596,479	213,550	0	0	596,479	213,550												
Other	1,854,845	1,413,326	1,048,780	940,408	532,882	190,498	196,223	3,627,005	3,010,386	340,577	328,918	3,967,582	3,339,304												
Total Expenditure	12,745,731	9,969,023	15,036,397	13,608,388	6,964,069	4,925,375	5,007,279	39,671,572	35,033,480	1,034,984	993,410	-2,992,502	-2,798,795	37,714,054	33,228,095										
Surplus /-Deficit	21,784,230	11,258,804	-8,604,943	-7,723,569	1,015,455	747,680	-4,158,431	-4,350,262	10,036,311	-67,347	625,098	299,364	0	10,661,409	232,017										