Royal Society for the Prevention of Cruelty to Animals - Queensland Inc and controlled entities

ABN 74 851 544 037

Consolidated Financial report
For the year ended 30 June 2015

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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Revenue	3	46,219,587	38,109,742	45,449,152	37,468,275
Less: expenses					
Finance costs		(449,640)	(420,173)	(444,314)	(415,002)
Inspectorate expense		(3,235,595)	(3,223,144)	(3,285,995)	(3,273,544)
Animal training and behaviour expense		(264,714)	(391,618)	(264,714)	(391,618)
Administration expense		(5,422,462)	(4,367,767)	(5,304,543)	(4,273,527)
Marketing and public relations expense		(8,100,551)	(5,882,538)	(8,070,347)	(5,859,480)
Education expense		(257,478)	(262,221)	(257,478)	(262,221)
Animal shelter expense		(15,759,357)	(15,138,921)	(15,791,757)	(15,171,321)
Retail operations expense		(6,801,006)	(6,510,182)	(6,801,006)	(6,510,182)
Branch expense		(1,249,408)	(1,093,091)	(1,349,408)	(1,093,091)
Other expenses		(585,308)	(699,071)	(67,600)	12,157
		(42,125,519)	(37,988,726)	(41,637,162)	(37,237,829)
Profit before income tax expense		4,094,068	121,016	3,811,990	230,446
Income tax expense	5	-	-	-	-
Profit for the year		4,094,068	121,016	3,811,990	230,446
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss					
Change in fair value of available for sale financial assets, net of tax		170,620	370,269	170,620	370,269
Gain or loss on disposal recognised in profit or loss		(145,107)	(358,683)	(145,107)	(358,683)
Total comprehensive income		4,119,581	132,602	3,837,503	242,032
Profit is attributable to:					
- Owners of Royal Society for the Prevention of Cruelty to Animals - Queensland Inc.		4,034,389	147,470	3,811,990	230,446
- Non-controlling interests		59,679	(26,454)	-	-
		4,094,068	121,016	3,811,990	230,446
Total comprehensive income is attributable to:					
- Owners of Royal Society for the Prevention of Cruelty to Animals - Queensland Inc.		4,059,902	159,056	3,837,503	242,032
- Non-controlling interests		59,679	(26,454)	-	-
		4,119,581	132,602	3,837,503	242,032

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Consolidated		Parent Entity	
	Note	2015	2014	2015	2014
		$	$	$	$
Current assets					
Cash and cash equivalents	6	2,142,816	2,011,656	2,135,051	1,987,870
Receivables	7	1,088,318	1,339,142	952,751	1,163,775
Inventories	8	1,556,715	1,411,149	1,548,669	1,398,801
Other assets	11	431,973	503,465	427,920	495,514
		5,219,822	5,265,412	5,064,391	5,045,960
Assets classified as held for sale		545,000	-	545,000	-
Total current assets		5,764,822	5,265,412	5,609,391	5,045,960
Non-current assets					
Other financial assets	9	2,356,784	2,088,465	2,356,784	2,088,465
Intangible assets	13	1,233,720	880,271	483,245	377,467
Property, plant and equipment	12	37,808,860	36,376,743	37,804,763	36,370,552
Other assets	11	40,721	35,554	40,721	35,554
Total non-current assets		41,440,085	39,381,033	40,685,513	38,872,038
Total assets		47,204,907	44,646,445	46,294,904	43,917,998
Current liabilities					
Payables	14	4,274,740	4,979,364	3,930,985	4,615,087
Borrowings	15	2,490,915	2,861,387	2,490,915	2,861,387
Provisions	16	1,221,962	1,149,918	1,221,962	1,149,918
Total current liabilities		7,987,617	8,990,669	7,643,862	8,626,392
Non-current liabilities					
Borrowings	15	4,627,206	5,111,672	4,547,206	5,031,672
Provisions	16	94,160	87,761	94,160	87,761
Total non-current liabilities		4,721,366	5,199,433	4,641,366	5,119,433
Total liabilities		12,708,983	14,190,102	12,285,228	13,745,825
Net assets		34,495,924	30,456,343	34,009,676	30,172,173
Members funds					
Reserves	17	13,287,701	13,907,709	13,287,701	13,907,709
Accumulated surplus		21,257,553	16,462,183	20,721,975	16,264,464
Members funds attributable to owners of Royal Society for the Prevention of Cruelty to Animals - Queensland Inc.		34,545,254	30,369,892	34,009,676	30,172,173
Non-controlling interests	18	(49,330)	86,451	-	-
Total members funds		34,495,924	30,456,343	34,009,676	30,172,173

The accompanying notes form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Reserves $	Retained earnings $	Non-controlling interests $	Total equity $
Consolidated				
Balance as at 1 July 2013	14,541,956	15,668,880	112,905	30,323,741
Profit/(loss) for the year	-	147,470	(26,454)	121,016
Change in fair value of available for sale financial assets, net of tax	370,269	-	-	370,269
Gain or loss on disposal recognised in profit or loss	(358,683)	-	-	(358,683)
Total comprehensive income for the year	11,586	147,470	(26,454)	132,602
Transfers	(645,833)	645,833	-	-
Balance as at 30 June 2014	13,907,709	16,462,183	86,451	30,456,343
Balance as at 1 July 2014	13,907,709	16,462,183	86,451	30,456,343
Profit for the year	-	4,034,389	59,679	4,094,068
Change in fair value of available for sale financial assets, net of tax	170,620	-	-	170,620
Gain or loss on disposal recognised in profit or loss	(145,107)	-	-	(145,107)
Total comprehensive income for the year	25,513	4,034,389	59,679	4,119,581
Depreciation on leasehold improvements	(645,521)	645,521	-	-
Acquisition of non-controlling interest	-	(80,000)	-	(80,000)
Change of ownership interest in subsidiary	-	195,460	(195,460)	-
Balance as at 30 June 2015	13,287,701	21,257,553	(49,330)	34,495,924

The accompanying notes form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Reserves $	Retained earnings $	Non-controlling interests $	Total equity $
Parent Entity				
Balance as at 1 July 2013	14,541,956	15,388,185	-	29,930,141
Profit for the year	-	230,446	-	230,446
Change in fair value of available for sale financial assets, net of tax	370,269	-	-	370,269
Gain or loss on disposal recognised in profit or loss	(358,683)	-	-	(358,683)
Total comprehensive income for the year	11,586	230,446	-	242,032
Transfers	(645,833)	645,833	-	-
Balance as at 30 June 2014	13,907,709	16,264,464	-	30,172,173
Balance as at 1 July 2014	13,907,709	16,264,464	-	30,172,173
Profit for the year	-	3,811,990	-	3,811,990
Change in fair value of available for sale financial assets, net of tax	170,620	-	-	170,620
Gain or loss on disposal recognised in profit or loss	(145,107)	-	-	(145,107)
Total comprehensive income for the year	25,513	3,811,990	-	3,837,503
Transfers	(645,521)	645,521	-	-
Balance as at 30 June 2015	13,287,701	20,721,975	-	34,009,676

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Cash flow from operating activities					
Receipts from customers		49,138,986	38,208,506	48,266,368	37,507,717
Payments to suppliers and employees		(43,486,076)	(36,575,608)	(42,956,061)	(36,124,232)
Interest received		63,847	30,072	63,847	30,072
Finance costs		(449,640)	(464,929)	(444,314)	(464,929)
Dividend income		86,039	98,280	86,039	98,280
Net cash provided by operating activities	20(b)	5,353,156	1,296,321	5,015,879	1,046,908
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment		12,167	-	12,167	-
Proceeds from sale of land		-	531,786	-	531,786
Payment for property, plant and equipment		(3,536,764)	(2,684,495)	(3,536,586)	(2,684,495)
Payment for available-for-sale financial assets		-	(220,000)	-	-
Proceeds from sale of available-for-sale financial assets		-	1,343,849	-	1,108,012
Payment for intangible assets		(762,461)	(478,778)	(409,341)	(164,788)
Payment for shares in subsidiary		(80,000)	-	(80,000)	-
Net cash provided by / (used in) investing activities		(4,367,058)	(1,507,638)	(4,013,760)	(1,209,485)
Cash flow from financing activities					
Proceeds from borrowings		197,908	-	197,908	-
Repayment of borrowings		(785,355)	(575,734)	(785,355)	(575,734)
Net cash provided by / (used in) financing activities		(587,447)	(575,734)	(587,447)	(575,734)
Reconciliation of cash					
Cash at beginning of the financial year		(18,141)	768,910	(41,927)	696,384
Net increase / (decrease) in cash held		398,651	(787,051)	414,672	(738,311)
Cash at end of financial year	20(a)	380,510	(18,141)	372,745	(41,927)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Associations Incorporation Act (QLD) 1981.

This financial report includes separate financial statements for the Royal Society for the Prevention of Cruelty to Animals - Queensland Inc. as an individual entity and the controlled entities as a consolidated group.

The Royal Society for the Prevention of Cruelty to Animals - Qld Inc is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements
The consolidated financial statements of the group also comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Application of new accounting standards
The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

Historical Cost Convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical Accounting Estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the statements of comprehensive income and statements of financial position respectively.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Grant revenue is recognised in the profit or loss when it is controlled. Where binding conditions, or specified milestones, exist relating to the specific purposes for which the grant funds may be applied, grant revenues are recognised in the statement of financial position as a liability until such time that all conditions of the grant are met.

Bequests and donations are recognised upon receipt.

Gifted assets or assets acquired at a nominal value are recognised in the profit or loss and statement of financial position at their fair value at the date the Society obtains control over the asset.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Income tax

Parent entity

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

Subsidiary included in the consolidated group

In relation to the consolidated group, the income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax (Continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Financial instruments

Classification

The group classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Available-for-sale

Available-for-sale financial assets include any financial assets not included in the above categories and are measured at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The cumulative gain or loss is held in equity until the financial asset is de-recognised, at which time the cumulative gain or loss held in equity is recognised in profit and loss.

Donated financial assets

Financial assets donated to the group are recognised at fair value at the date the group obtains the control of the assets.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

(h) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

For inventory acquired at no or nominal consideration, cost is the current replacement cost at the date of acquisition.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property

Freehold land and buildings are initially recorded at cost. Where freehold land and buildings were acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Property is subsequently measured on a cost basis.

Plant and equipment

Plant and equipment is measured at cost. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	**Depreciation/amortisation rates**	**Depreciation/amortisation basis**
Leasehold land	over lease period	Straight line
Buildings at cost	2.5%-25%	Straight line
Plant and equipment at cost	2.5%-33.3%	Straight line
Motor vehicles at cost	22.5%	Straight line

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (Continued)

At each period end date the leases in relation to buildings on leasehold land are reviewed to determine that, in the foreseeable future, there is no reason why they would not be renewed for a period covering at least the current useful life of the building. Where it is determined that the lease would not continue to be renewed for a period covering the useful life of the building, the balance would be written off over the likely period that the lease would continue to be renewed.

(j) Intangibles

Patents and trademarks

Patents, trademarks and licences are recognised at cost. They are amortised over their estimated useful lives, which range from 5 to 10 years. Patents, trademarks and licences are carried at cost less accumulated amortisation and any impairment losses.

Software assets comprise of acquired software assets and capitalised development expenditure relating to the Shelter Buddy TM software from which the sales and maintenance reviews are derived by the subsidiary company.

Capitalised development expenditure

Software is initially recorded at the fair value of costs incurred during the development phase. The software is considered to have a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software is amortised on a straight line basis over its estimated useful life of 8 years and is included within other expenses in the income statement. All costs associated with the research phase and the ongoing maintenance of the software are expensed to the profit or loss in the period incurred.

Software

Costs capitalised include external direct costs and services relating to implementation of acquired software. Amortisation is calculated on a straight-line basis over a 3 year period.

(k) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets that have an indefinite useful life are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the group are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the statements of comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the group will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimate future cash outflows.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset are capitalised until the asset is ready for its intended use or sale.

(p) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statements of financial position are shown inclusive of GST.

Cash flows are presented in the statements of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Net asset deficiency

At 30 June 2015 the entity’s current liabilities exceed its current assets by $2,222,795 (2014: $3,725,257).

Non-current assets include financial assets of $2,356,784 (2014: $2,088,465) which are shares in listed corporations. This balance has been recorded as non-current on the basis that that the entity does not intend to realise this asset for a period of 12 months from 30 June 2015.

The entity has contingent assets of $8,797,828 (2014: $4,030,340) from bequests and estates (refer Note 23).

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment

The Society assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.
No triggers of impairment were noted in the current or prior year.

(b) Court costs receivable: provision for impairment

Historically court costs have been extremely difficult to recover in a timely and efficient manner. The Directors of the Board have determined that all court costs owing for over 12 months in respect of individuals that have failed to make at least partial repayment during the financial year will be provided for.

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
NOTE 3: REVENUE				
Adoption, boarding and surrender fees	4,808,453	4,524,522	4,829,513	4,545,582
Inspectorate services	1,910,265	2,225,636	1,910,265	2,225,636
Merchandise sales	8,448,642	8,100,064	8,448,642	8,100,064
Veterinary services	585,408	662,271	585,408	662,271
Animal training services	77,582	173,294	77,582	173,294
Software sales and maintenance fees	771,128	662,527	-	-
	16,601,478	16,348,314	15,851,410	15,706,847
Dividend income	86,039	98,280	86,039	98,280
Interest income	63,847	30,072	63,847	30,072
	16,751,364	16,476,666	16,001,296	15,835,199
Profit on sale of non current assets	76,142	379,212	76,142	379,212
Fundraising Income	4,875,649	4,620,599	4,875,649	4,620,599
Bequest and donation income	23,760,462	15,872,409	23,760,462	15,872,409
Subsidies and grants	755,970	760,856	735,603	760,856
	29,468,223	21,633,076	29,447,856	21,633,076
	46,219,587	38,109,742	45,449,152	37,468,275

(i) *Bequests and donations*

The Society received bequest and donations during the 2015 financial year that totaled $23,760,462 (2014: $15,872,409) including $545,000 (2014: $981,786) from bequest of property.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
NOTE 4: OPERATING PROFIT				
Profit / (losses) before income tax has been determined after:				
Finance costs	449,640	420,173	444,314	415,002
Foreign currency translation losses	7,594	7,876	-	-
Cost of sales	6,759,100	6,707,505	6,759,812	6,707,505
Employee benefits expense	17,746,441	16,152,897	17,746,441	16,152,897
Rental expense on operating leases	1,464,653	1,573,371	1,435,673	1,543,934
Profit (Loss) on disposal of property, plant and equipment	68,965	(11,679)	68,965	(11,679)
Gain on disposal of available-for-sale financial assets	145,107	358,683	145,107	358,683
Depreciation and amortisation of non-current assets:				
- Buildings	890,874	849,629	890,874	849,629
- Plant and equipment	964,545	768,996	962,181	766,170
- Motor vehicles	199,950	164,166	199,950	164,166
- Leasehold land	30,300	30,300	30,300	30,300
- Software	346,915	317,422	241,466	245,152
	2,432,584	2,130,513	2,324,771	2,055,417
Impairment losses/(reversal) in relation to:				
- Amounts receivable from controlled entity	-	-	(12,730)	12,273

NOTE 5: INCOME TAX

(a) Components of tax expense

Current tax	-	-	-	-
Deferred tax	-	-	-	-
Under/(over) provision in prior years	-	-	-	-
	-	-	-	-

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

NOTE 5: INCOME TAX (CONTINUED)

(b) Prima facie tax payable

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:				
Prima facie income tax payable on profit before income tax at 30.0% (2014: 30.0%)	1,228,220	36,305	1,143,597	69,134
Add tax effect of:				
Less tax effect of:				
- Exempt net income/(loss)	1,153,764	53,117	1,143,597	69,134
- Deferred tax asset on tax losses and temporary differences not brought to account	74,456	(16,812)	-	-
	1,228,220	36,305	1,143,597	69,134
Income tax expense attributable to profit	-	-	-	-

(c) Deferred tax assets not brought to account

The Directors of the Board are currently reviewing the taxation position of the subsidiary, Shelter Management Pty Ltd. The subsidiary has accumulated tax losses of approximately $315,000 (2014: $454,000). The deferred tax asset not recognised in relation to losses at 30 June 2015 is $94,000 (2014: $136,000).

The Society also has unrecognised deferred tax assets relating to temporary differences of approximately $51,000 (2014: $84,000) consisting mainly of software assets being written off for tax purposes over 25 years.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probably that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. At 30 June 2015, the Directors of the Board are of the view that the probability criteria have not been met. Accordingly, these deferred tax assets are not recognised in the financial statements.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	25,182	27,749	25,113	27,680
Cash at bank	2,015,364	1,983,907	2,007,668	1,960,190
Cash on deposit	102,270	-	102,270	-
	2,142,816	2,011,656	2,135,051	1,987,870

NOTE 7: RECEIVABLES

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
CURRENT				
Trade debtors	618,398	783,869	490,618	640,111
Prosecution claims receivable	295,102	385,884	295,102	385,884
Impairment loss	(150,251)	(191,857)	(150,251)	(191,857)
	144,851	194,027	144,851	194,027
GST receivable	150,992	99,513	143,208	92,907
Other debtors	174,077	261,733	174,074	236,730
Amounts receivables from:				
- controlled entity	-	-	525,403	438,133
Impairment loss	-	-	(525,403)	(438,133)
	1,088,318	1,339,142	952,751	1,163,775
NON CURRENT				
Amounts receivable from:				
- controlled entity	-	-	347,918	447,918
Impairment loss	-	-	(347,918)	(447,918)
	-	-	-	-

Amounts receivable from subsidiaries

The Society has made unsecured interest-free loans to its subsidiary Shelter Management Ply Ltd (the controlled entity). These loans have no set repayment terms.

The controlled entity develops, sells and maintains a software product called Shelter BuddyTM. As the company is still incurring extensive expenditure in relation to the ongoing improvement and expansion of the software, the company is in a net liability position at balance date.

The Directors of the Board consider the current financial position of the controlled entity to be an indicator of impairment in relation to these loans receivable. Accordingly, amounts receivable at 30 June 2015 and 30 June 2014 have been impaired in full. The total impairment loss/(reversal) in relation to these recognised in the profit or loss during the current period was ($12,730) (2014: $12,273) and is included within other expenses in the profit or loss.

Impairment of prosecution claim receivables

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Opening balance at 1 July	191,857	197,074	191,857	197,074
Amounts written off	(41,606)	(5,217)	(41,606)	(5,217)
Closing balance at 30 June	150,251	191,857	150,251	191,857

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

NOTE 8: INVENTORIES

CURRENT				
At cost				
Finished goods	1,556,715	1,411,149	1,548,669	1,398,801

NOTE 9: OTHER FINANCIAL ASSETS

NON CURRENT				
Available-for-sale financial assets				
Shares in subsidiary	-	-	624,505	544,505
Provision for impairment loss	-	-	(624,505)	(544,505)
	-	-	-	-
At fair value				
Shares in listed corporations	2,356,784	2,088,465	2,356,784	2,088,465

See note 7 for a discussion on the reasons for considering the carrying value of the investment in the subsidiary to be impaired at that date.

NOTE 10: CONTROLLED ENTITIES

The ultimate parent entity of the Group is Royal Society for the Prevention of Cruelty to Animals - Queensland Inc.

Subsidiaries:	Country of Incorporation	Percentage Owned 2015	2014
Shelter Management Pty Ltd	Aust	87.3%	72.2%
Shelter Management Inc (dormant) (i)	USA	100%	100%

Shelter Management Pty Ltd is restricted from transferring funds to the parent entity in the form of cash dividends or repayment of loans as it has issued 150 redeemable preference shares to a minority shareholder whereby 75% of post tax operating profits are payable in settlement of the $2,400 dividend per preference share until such time that the dividends have been fully paid. At this time the shares will expire.

As the company has accumulated losses, no preference shares have been paid (2014: $nil)

(i) A subsidiary of Shelter Management Pty Ltd

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
NOTE 11: OTHER ASSETS				
CURRENT				
Prepayments	431,973	503,465	427,920	495,514
NON CURRENT				
Security deposits	40,721	35,554	40,721	35,554
NOTE 12: PROPERTY, PLANT AND EQUIPMENT				
Land				
Freehold land				
At cost	576,250	576,250	576,250	576,250
Leasehold land				
At cost	3,000,000	3,000,000	3,000,000	3,000,000
Accumulated amortisation	(111,619)	(81,319)	(111,619)	(81,319)
	2,888,381	2,918,681	2,888,381	2,918,681
Buildings				
At cost	36,092,892	33,995,633	36,092,892	33,995,633
Accumulated depreciation	(4,699,042)	(3,827,809)	(4,699,042)	(3,827,809)
	31,393,850	30,167,824	31,393,850	30,167,824
Total land and buildings	34,858,481	33,662,755	34,858,481	33,662,755
Plant and equipment				
Plant and equipment at cost	6,864,595	6,082,178	6,833,265	6,051,118
Accumulated depreciation	(4,756,611)	(4,168,914)	(4,729,378)	(4,144,045)
	2,107,984	1,913,264	2,103,887	1,907,073
Motor vehicles at cost	1,889,714	1,497,045	1,889,714	1,497,045
Accumulated depreciation	(1,252,518)	(1,071,532)	(1,252,518)	(1,071,532)
	637,196	425,513	637,196	425,513
Work in progress	205,199	375,211	205,199	375,211
Total plant and equipment	2,950,379	2,713,988	2,946,282	2,707,797
Total property, plant and equipment	37,808,860	36,376,743	37,804,763	36,370,552

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year				
Freehold land				
Opening carrying amount	576,250	576,250	576,250	576,250
Closing carrying amount	576,250	576,250	576,250	576,250
Leasehold land				
Opening carrying amount	2,918,681	2,948,981	2,918,681	2,948,981
Amortisation expense	(30,300)	(30,300)	(30,300)	(30,300)
Closing carrying amount	2,888,381	2,918,681	2,888,381	2,918,681
Buildings				
Opening carrying amount	30,167,824	29,380,781	30,167,824	29,380,781
Additions	1,818,946	1,636,672	1,818,946	1,636,672
Disposals	(64,099)	-	(64,099)	-
Depreciation expense	(890,874)	(849,629)	(890,874)	(849,629)
Transfer from work in progress	362,053	-	362,053	-
Closing carrying amount	31,393,850	30,167,824	31,393,850	30,167,824
Plant and equipment				
Opening carrying amount	1,913,264	1,633,016	1,907,073	1,624,029
Additions	1,163,141	1,049,214	1,162,871	1,049,214
Disposals	(17,034)	-	(17,034)	-
Depreciation expense	(964,545)	(768,966)	(962,181)	(766,170)
Transfer	13,158	-	13,158	-
Closing carrying amount	2,107,984	1,913,264	2,103,887	1,907,073
Motor vehicles				
Opening carrying amount	425,513	353,889	425,513	353,889
Additions	411,633	235,790	411,633	235,790
Depreciation expense	(199,950)	(164,166)	(199,950)	(164,166)
Closing carrying amount	637,196	425,513	637,196	425,513

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (Continued)

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Work in progress				
Opening carrying amount	375,211	-	375,211	-
Additions	205,199	375,211	205,199	375,211
Transfer	(375,211)	-	(375,211)	-
Closing carrying amount	205,199	375,211	205,199	375,211

NOTE 13: INTANGIBLE ASSETS

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Software at cost	2,747,177	1,984,716	1,171,562	762,221
Accumulated amortisation and impairment	(1,513,457)	(1,166,543)	(688,317)	(446,852)
	1,233,720	818,173	483,245	315,369
Software intangible work in progress	-	62,098	-	62,098
	-	-	-	-
Total intangible assets	1,233,720	880,271	483,245	377,467

Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Software at cost				
Opening balance	818,173	718,914	315,369	457,832
Additions	700,363	416,681	347,243	102,690
Amortisation expense	(346,914)	(317,422)	(241,465)	(245,153)
Transfer	62,098	-	62,098	-
Closing balance	1,233,720	818,173	483,245	315,369
Software intangible work in progress				
Opening balance	62,098	-	62,098	-
Additions	-	62,098	-	62,098
Transfer	(62,098)	-	(62,098)	-
Closing balance	-	62,098	-	62,098

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14: PAYABLES

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
CURRENT				
Unsecured liabilities				
Trade creditors	2,760,754	3,560,929	2,448,637	3,276,261
Sundry payables and accrued expenses	1,513,986	1,418,435	1,482,348	1,338,826
	4,274,740	4,979,364	3,930,985	4,615,087

NOTE 15: BORROWINGS

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
CURRENT				
Unsecured liabilities				
Bank overdraft	1,762,306	2,029,797	1,762,306	2,029,797
Insurance Premium Funding	157,285	156,167	157,285	156,167
Loan RSPCA NSW	36,189	136,189	36,189	136,189
	1,955,780	2,322,153	1,955,780	2,322,153
Secured liabilities				
Commercial bills	465,750	477,000	465,750	477,000
Finance lease liability	69,385	62,234	69,385	62,234
	535,135	539,234	535,135	539,234
	2,490,915	2,861,387	2,490,915	2,861,387
NON CURRENT				
Unsecured liabilities				
Finance lease liability	127,206	145,922	127,206	145,922
Redeemable preference shares	80,000	80,000	-	-
	207,206	225,922	127,206	145,922
Secured liabilities				
Commercial bills	4,420,000	4,885,750	4,420,000	4,885,750
	4,627,206	5,111,672	4,547,206	5,031,672

Loan from RSPCA NSW
The loan from RSPCA NSW is interest free, unsecured and due to be repaid by December 2015

Redeemable Preference Shares
During the 2006 financial year and in consideration for the sum of $80,000, the subsidiary issued preference shares to a minority shareholder. The agreement states that 75% of post tax operating profits are payable to the holder as dividends until such time that 150 preference dividends at $2,400 each have been fully paid. On the basis that the subsidiary has an obligation to repay this amount to the holder of the preference shares, management have classified the instrument as a financial liability.

NOTE 15: BORROWINGS (CONTINUED)

Bank Facilities
The bank overdraft, commercial bills and bank loans are secured by way of:
(i) Bill of sale and mortgage over all assets and uncalled capital of the Society;
(ii) First registered mortgages over the leasehold property at Station Road Wacol and freehold property at Laurenceson Road Gympie;
(iii) Deed of mortgage over securities held by the Society.

The Society has a bank overdraft facility amounting to $2,200,000 (2014: $2,200,000). This may be terminated at any time at the option of the bank. At 30 June 2015 the unutilised facility was $437,694 (2014: $170,203). Interest rates are variable.

The bank overdraft is subject to annual review, but remains payable on demand.

The Society has finance facilities as follows:

Facilities	Facilities	Maturity	Utilised	Repayments
Commercial Bill	$225,000	26 February 2016	$33,750	Interest + $11,250 per quarter
Commercial Bill	$3,360,000	27 December 2018	$2,612,000	Interest + $108,000 per quarter
Commercial Bill	$2,240,000	29 November 2018	$2,240,000	Interest only

The interest only commercial bill facility has specific conditions applied to it that if any event occurs that alters the risk of the financial institution accepting interest only repayments the financial institution can call upon the entity to make principal reductions as opposed to interest only repayments.

	Note	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
NOTE 16: PROVISIONS					
CURRENT					
Employee benefits		1,221,962	1,149,918	1,221,962	1,149,918
NON CURRENT					
Employee benefits		94,160	87,761	94,160	87,761

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
NOTE 17: RESERVES				
Available for sale financial asset reserve	328,555	303,042	328,555	303,042
Other reserves	12,959,146	13,604,667	12,959,146	13,604,667
	13,287,701	13,907,709	13,287,701	13,907,709

The available for sale financial asset reserve is used to record movements in fair values of financial assets classified as available for sale.

The transfers from retained earnings to the Wacol goverment grant reserve of $645,521 (2014: $645,833) represents the depreciation charge.

NOTE 18: NON-CONTROLLING INTERESTS

Retained Earnings	(49,330)	86,451	-	-

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions with Subsidiaries

Transactions between related parties are on normal commercial terms and conditions no more favourable that those available to other parties unless otherwise stated:

IT support and maintenance costs charged to RSPCA by Shelter Management Pty Ltd.	-	-	120,000	120,000
Hosting fees charged by Shelter Management Pty Ltd to RSPCA	-	-	21,060	21,060
Loan to Shelter Management Pty Ltd. This loan is interest free, unsecured and at call. The Society has agreed not to call on this loan should it jeopardise the liquidity of the subsidiary. The carrying value is shown after impairment loss / (reversal) of ($100,000) (2014: nil) recorded within other expenses.	-	-	347,918	447,918
Working account owed by Shelter Management Pty Ltd. This account is interest free and unsecured. The carrying value is shown after impairment loss / (reversal) of $87,270 (2014: $12,273) recorded within other expenses.	-	-	525,403	438,133
Recharge of executive and administrative wages to Shelter Management Pty Ltd.	-	-	33,378	23,448

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

NOTE 19: RELATED PARTY TRANSACTIONS (CONTINUED)

Other related party transactions

Management fees were paid to Dalton Nicol Reid of $20,060 (2014: $26,947) of which Justine Hickey (RSPCA QLD Treasurer) is a Director.

On the 29 June 2015, RSPCA QLD purchased 177 ordinary shares in Shelter Management Pty Ltd from Mark Townend (RSPCA QLD CEO) for $80,000.

NOTE 20: CASH FLOW INFORMATION

(a) Reconciliation of cash

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position is as follows:				
Cash on hand	25,182	27,749	25,113	27,680
Cash at bank	2,015,364	1,983,907	2,007,668	1,960,190
At call deposits with financial institutions	102,270	-	102,270	-
Bank overdrafts	(1,762,306)	(2,029,797)	(1,762,306)	(2,029,797)
	380,510	(18,141)	372,745	(41,927)

(b) Reconciliation of cash flow from operations with profit after income tax

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Profit from ordinary activities after income tax	4,094,068	121,016	3,811,990	230,446
Adjustments and non-cash items				
Amortisation	346,915	317,421	241,466	245,153
Depreciation	2,085,669	1,812,968	2,083,305	1,810,263
Net (gain) / loss on disposal of property, plant and equipment	68,695	(11,679)	68,695	(11,679)
Net (gain) / loss on disposal of financial instruments	(145,107)	(358,683)	(145,107)	(358,683)
Properties bequeathed	(545,000)	(981,786)	(545,000)	(981,786)
Changes in assets and liabilities				
(Increase) / decrease in receivables	302,303	(380,432)	261,325	(439,758)
(Increase) / decrease in other assets	66,325	(73,278)	62,427	(68,504)
(Increase) / decrease in inventories	(145,566)	137,504	(149,868)	132,621
Increase / (decrease) in payables	(853,589)	640,141	(751,797)	415,706
Increase / (decrease) in provisions	78,443	73,129	78,443	73,129
Cash flows from operating activities	5,353,156	1,296,321	5,015,879	1,046,908

	Consolidated		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$

NOTE 21: KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration paid to key management personnel includes salary, contributions to members' superannuation and other benefits paid to them on their behalf. The following individuals are considered to be the key management personnel for the group:

Mark Townend (Chief Executive Officer)
Sheila Collecott (Executive Manager of Animal Focus)
Nick Crethar (Chief Financial Officer)
Todd Franks (Executive Manager of People Services)
Kirsty Graham (Executive Manager of Fundraising and Customer Experience) - appointed as an Executive Manager on 30 June 2015

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Key management personnel compensation	894,373	788,325	872,399	771,637

NOTE 22: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements:				
Payable				
- not later than one year	708,437	1,202,525	708,437	1,202,525
- later than one year and not later than five years	975,859	553,825	975,859	553,825
	1,684,296	1,756,350	1,684,296	1,756,350

The Society has 8 non-cancellable property leases with terms ranging from 1 to 7 years, with rent payable monthly in advance. Escalation clauses within the lease agreements require that the minimum lease payments shall be increased by CPI per annum. Options exist to renew the leases at the end of their terms, with terms between 1 and 5 years. The Society also has 20 motor vehicle leases expiring in 2018 and a number of equipment leases with terms ranging from 3 to 5 years.

NOTE 23: CONTINGENT ASSETS

A contingent asset exists for bequests advised up to the date of signing of the financial statements that had not been received at balance date. The bequests have been advised via written or verbal advice from an executor or solicitor.

	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Estimates of the maximum amounts of contingent assets that may become receivable:				
Probate advised - written	4,710,850	3,954,840	4,710,850	3,954,840
Provide advised - verbal	1,072,278	-	1,072,278	-
Probate not advised - written	3,014,700	75,500	3,014,700	75,500
	8,797,828	4,030,340	8,797,828	4,030,340

NOTE 24: CONTINGENT LIABILITIES

The Society has provided bank guarantees to the total value of $89,372 (2014: $190,420) as rental guarantees.

The Society receives a number of goverment grants subject to various conditions. Until such time as these conditions are met and the grant acquitted, there is a possibility that some or all of the monies may need to be returned to the grantor.

As at 30 June 2015 the Society received grant monies amounting to $305,025 (2014: $306,927) which are subject to conditions and, at that date, had yet to be acquitted as required under the relevant agreements.

These monies have been recognised as revenue in the period they were received as control is deemed to have passed at that point.

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2015 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2015, of the group, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2015, of the group.

NOTE 26: ENTITY DETAILS

The Royal Society for the Prevention of Cruelty to Animals Queensland Inc. is the State's leading animal welfare authority. It is also the oldest animal welfare authority in Queensland. The Society is a non-government, registered animal welfare charity, with powers to enforce an Act of the Queensland Parliament - The Animal Care and Protection Act 2001, which was proclaimed on March 1, 2002.

The registered office and principal place of business of the group is:

Royal Society for the Prevention of Cruelty to Animals - Queensland Inc.
139 Wacol Station Rd
Wacol QLD 4076

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS - QUEENSLAND INC AND CONTROLLED ENTITIES

STATEMENT BY THE DIRECTORS OF THE BOARD

In the opinion of the Directors of the Board the financial report as set out on pages 1 - 28:

1. Presents fairly the financial position of Royal Society for the Prevention of Cruelty to Animals - Queensland Inc. as at 30 June 2015 and performance for the year ended on that date in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements.

2. At the date of this statement, there are reasonable grounds to believe that Royal Society for the Prevention of Cruelty to Animals - Queensland Inc. will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Andrew Tribe (President)	Justine Hickey (Treasurer)

Dated this 1st day of October 2015

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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Independent Auditor's Report to the Members of the Royal Society for the Prevention of Cruelty to Animals – Queensland Inc.

We have audited the accompanying financial report of Members of the Royal Society for the Prevention of Cruelty to Animals – Queensland Inc (the Society), which comprises the statements of financial position as at 30 June 2015, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management's assertion statement of the entity and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Associations Incorporations Act (Qld) 1981, and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 management, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report of the Royal Society for the Prevention of Cruelty to Animals-Queensland Inc. is in accordance with the Associations Incorporation Act (Qld) 1981, including:

(i) giving a true and fair view of the Society's and the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements

PITCHER PARTNERS

J. Evans

J.J EVANS
Partner

Brisbane, Queensland
1 October 2015