



berger piepers

CHARTERED ACCOUNTANTS

Partners
P A Berger B Com FCA
W J Piepers FCA
T D Millard B Com CA

Associates
T Costa B Bus CA
C Legh B Com CA

ANIMAL WELFARE LEAGUE NSW

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2016**



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Liability limited by a scheme approved under Professional Standards Legislation

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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2016.

1. DIRECTORS

The names of the directors in office during the year and at the date of this report and their attendances at full board and other meetings held during the year were as follows:

	Board Meetings Held	Board Meetings Attended
Christine Richardson	23	23
Glynis Boobyer	23	23
Audrey McGeown	23	23
David Hope (Appointed 5 January 2016)	13	11
Deborah Cox (Appointed 30 July 2016)	-	-
Shawn Skyring (Appointed 30 July 2016)	-	-
Christopher Adamson (Appointed 30 July 2016)	-	-
Mark Slater (Appointed 27 October 2016)	-	-
Sarita Verma (Resigned 25 July 2016)	23	14
Joan Pearson OAM (Resigned 24 May 2016)	22	12
Jeanette Rossiter (Appointed 5 January 2016) (Resigned 24 August 2016)	13	4
Peter Zachert (Appointed 21 June 2016) (Resigned 13 October 2016)	1	1
Richard Gray (Appointed 5 January 2016) (Resigned 26 June 2016)	12	7
Alan John Colling (Resigned 24 December 2015)	10	8
Melissa Pemberton (Resigned 10 November 2015)	7	5
Alex Ottaway (Resigned 29 September 2015)	3	-
Carol McKeag (Resigned 28 July 2015)	1	-

2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY

(a) Principal activities

The company's principal activities during the year were:

- To promote and advance the welfare of all animals;
- To provide shelter and care for neglected and abandoned companion and domestic animals;
- To prevent and prosecute cruelty to animals via our Inspectorate;
- To provide veterinary care to injured and sick animals;
- To promote the desexing of companion and domestic animals with primary focus on cats and dogs; and
- To rehabilitate and rehome animals that come into our care.

All company activities are directed towards achieving company objectives.

DIRECTORS' REPORT

2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY (continued)

(b) Short-term objectives of the company

The short term objectives of the company are:

- To increase adoptions via our shelters, branches and partners (vet clinics, pet shops);
- To reduce unwanted litters of puppies and kittens by promoting and facilitating desexing;
- To minimise the euthanasia of shelter animals in our care; and
- To provide prompt and caring support to animals subjected to neglect or cruelty.

(c) Long-term objectives of the company

The long term objectives of the company are:

- To improve the legislative and regulatory environment for animals;
- To identify and investigate humane options for addressing the issue of kittens born to free-roaming cats;
- To promote and encourage the desexing of companion and domestic animals;
- To improve the image of rescue pets within the community and broaden the public's understanding of the issues which lead to all animals being surrendered or abandoned; and
- To facilitate the education of owners of companion and domestic animals to encourage socially responsible pet ownership.

(d) Strategies for achieving objectives

The company's strategies for achieving the above objectives are:

Short-term

- Pursue the goals of the Getting To Zero Euthanasia initiative and improve community understanding of those goals;
- Continue to improve behavioural and veterinary support for our shelter animals and develop ongoing environmental enrichment initiatives within our shelters;
- Utilise our volunteer branches to expand the desexing and rehoming work undertaken in their regions;
- Utilise AWL's status as an advisor to Government to advocate for positive change in the legislative and regulatory environment affecting animals;
- Promote foster care as a way for the community to support companion and domestic animals in need;
- Pursue fundraising and education campaigns to increase support for AWL within the community; and
- Pursue cooperative partnerships with organisations and stakeholders aligned with our values.

Long-term

- Work with Government, industry and not-for-profit partners to educate pet owners and the broader community;
- Establish AWL as the best-practice operator of sheltering, rehoming and shelter medicine in NSW;

DIRECTORS' REPORT

2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY (continued)

(d) Strategies for achieving objectives (continued)

- Promote desexing of companion and domestic animals through subsidised funding, public education and government regulation; and
- Work with partners providing legal support to prosecute all cruelty cases to the full extent permissible under the law.

(e) Measurement of performance

The company measures its performance by:

- Increase, year on year, in the number of animals rehomed from our shelters and branches;
- Increase, year on year, in the number of animals desexed by our veterinary clinic and through our branches; and
- Continued development of amendment of legislation and regulations affecting animal welfare.

3. TRADING RESULTS

The net profit of the company for the year after providing for an income tax expense of \$Nil (2015: \$Nil) was \$3,201,144 (2015: \$1,865,215). This result was achieved after recording a gain on the revaluation of land and buildings of \$Nil (2015: \$1,450,195) and an expense for prior year salary, wage and superannuation adjustments of \$187,723 (2015: \$150,000).

4. DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends, as the Company is prohibited from paying dividends by its Constitution.

5. DIRECTORS' REMUNERATION

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the director or with a company in which they have a substantial financial interest, except as detailed in Note 13 – Director Information.

6. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found following this report.

7. INFORMATION ON DIRECTORS

The directors in office at the date of this report and their relevant qualifications are as follows:

Christine Richardson Qualifications: Registered Nurse
Experience: Semi-retired and partner in husband's medical practice.
Medical centre Practice Manager and ultrasonographer
Appointed 12 November 2014

DIRECTORS' REPORT

7. INFORMATION ON DIRECTORS (continued)

- Glynis Boobyer Qualifications: Corporate communications and branding
Experience: Corporate communications and branding. A lifetime of dedication to animal welfare issues, volunteering for the RSPCA in UK from an early age
Appointed 12 November 2014
- Audrey McGeown Qualifications: Diploma in Business Administration
Experience: Worked for four Civil Construction companies overseeing Business Administration and WHS (over 20 years experience). Manager of a retail shop for 8 years winning 3 Business Awards
Appointed 12 November 2014
- David Hope Qualifications: Bachelor of Veterinary Science from University of Sydney
Experience: 36 years in companion and mixed animal practice in western Sydney. Established Box Hill Veterinary Hospital 29 years ago. Appointed casual director in January 2016 and elected as director on 19th March 2016
Appointed 5 January 2016
- Deborah Cox Qualifications: Diploma of Teaching
Experience: 25 years Primary School teaching in NSW (K-6), 4 years as a Horticulturalist with Shellharbour Council and 5 years as Co-Manager/Owner of a hospitality business. Lifelong dedication to Animal Welfare including 16 years founding member with AWLFSC branch
Appointed 30 July 2016
- Shawn Skyring Qualifications: LLB, BA from the University of Queensland
Experience: Member of the Law Society NSW, Member of the Industrial Relations Society NSW. Specialist in industrial law and employment law with over 22 years' experience. Previously worked for a peak employer organisation providing services to employers in all areas of industrial relations and workplace matters.
Now in private legal practice for over 16 years
Appointed 30 July 2016
- Christopher Adamson Qualifications: LLB, BA from the University of Queensland.
Experience: Lawyer with approximately 30 years' of experience in company directorships, company and commercial law.
Appointed 30 July 2016

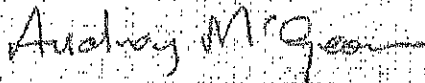
DIRECTORS' REPORT

7. INFORMATION ON DIRECTORS (continued)

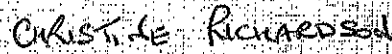
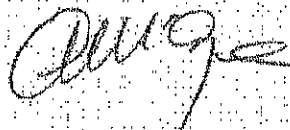
Mark Slater

Qualifications: Marketing, Communications and Management from Sydney University, Masters of Marketing from Monash University.
Experience: 15 years' experience as a business owner in the brand agency, media buy and major event space as well as spending the last six years in Executive roles within the not for profit industry focused upon marketing, communications and fundraising. A wealth of experience from the PAF space inclusive of operational obligations and corporate governance.
Appointed 27 October 2016

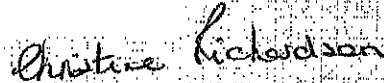
For and on behalf of the board



Director
17 January 2017



Director





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CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF
ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

Partners
P A Berger B Com FCA
W J Piepers FCA
T D Millard B Com CA

Associates
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C Leigh B Com CA

We declare that, to the best of our knowledge and belief, there have been no contraventions of the of the auditor independence requirements of any applicable code of professional conduct in relation to the audit of Animal Welfare League NSW for the year ended 30 June 2016.

berger piepers
Chartered Accountants

WJ Piepers
Partner

17 January 2017
Penrith





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CHARTERED ACCOUNTANTS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

Partners
P A Berger B Com FCA
W J Piepers FCA
T D Millard B Com CA

Associates
T Costa B Bus CA
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SCOPE

Report on the financial report

We have audited the accompanying financial report of Animal Welfare League NSW, which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on schedules 1 to 6.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 ("the ACNC Act") and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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. These Auditing 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the company's preparation and fair presentation 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 audit opinion on the effectiveness of the company's internal controls. 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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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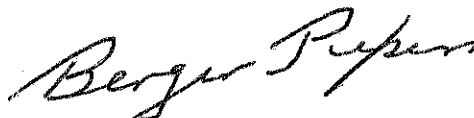
INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the ACNC Act.

AUDITOR'S OPINION

In our opinion:

- (a) the financial report of Animal Welfare League NSW is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - (iii) we have been given all information, explanation and assistance necessary for the conduct of the audit;
 - (iv) the company has kept financial records sufficient to enable a financial report to be prepared and audited; and
 - (v) the company has kept financial records as required by Part 3.2 of the ACNC Act.
- (b) In accordance with the provisions of the Charitable Fundraising Act 1991 and regulations thereto, any money received as a result of fundraising appeals conducted during the financial year has been properly accounted for and applied with the following provisions:
- (i) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate;
 - (ii) the financial report and associated records have been properly kept during the financial year in accordance with the provisions of the Charitable Fundraising Act 1991 and the regulations thereto; and
 - (iii) At the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.



berger piepers
Chartered Accountants



WJ Piepers
Partner

17 January 2017
Penrith NSW

ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash assets	5	1,923,434	720,282
Trade and other receivables	6	55,841	153,116
Investments	7	13,387	-
Prepayments		14,204	-
Other financial assets	8	<u>8,759,084</u>	<u>6,496,269</u>
TOTAL CURRENT ASSETS		<u>10,765,950</u>	<u>7,369,667</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>9,445,854</u>	<u>9,756,348</u>
TOTAL NON-CURRENT ASSETS		<u>9,445,854</u>	<u>9,756,348</u>
TOTAL ASSETS		<u>20,211,804</u>	<u>17,126,015</u>
CURRENT LIABILITIES			
Trade and other payables	10	588,026	451,401
Provisions	11	<u>222,173</u>	<u>473,054</u>
TOTAL CURRENT LIABILITIES		<u>810,199</u>	<u>924,455</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>61,748</u>	<u>62,847</u>
TOTAL NON-CURRENT LIABILITIES		<u>61,748</u>	<u>62,847</u>
TOTAL LIABILITIES		<u>871,947</u>	<u>987,302</u>
NET ASSETS		<u>19,339,857</u>	<u>16,138,713</u>
MEMBERS' EQUITY			
Reserves	12	3,379,084	3,379,084
Retained profits		<u>15,960,773</u>	<u>12,759,629</u>
TOTAL MEMBERS' EQUITY		<u>19,339,857</u>	<u>16,138,713</u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
REVENUE			
Operating income	3(a)	10,113,598	5,970,086
Finance income	3(b)	193,285	189,051
Other income	3(c)	-	1,364
TOTAL REVENUE		<u>10,306,883</u>	<u>6,160,501</u>
EXPENSES			
Finance expenses	3(d)	(17,176)	(14,610)
Depreciation	3(e)	(390,315)	(725,666)
Employee benefits	3(f)	(3,603,748)	(2,766,748)
Other expenses	3(g)	<u>(2,906,777)</u>	<u>(2,088,457)</u>
TOTAL OPERATING EXPENSES		<u>(6,918,016)</u>	<u>(5,595,481)</u>
PROFIT BEFORE SIGNIFICANT ITEMS		3,388,867	565,020
Revaluation of property, plant and equipment		-	1,450,195
Salaries, wages and superannuation adjustments -prior years		<u>(187,723)</u>	<u>(150,000)</u>
PROFIT BEFORE INCOME TAX EXPENSE		3,201,144	1,865,215
Income tax expense	4	-	-
PROFIT FOR THE YEAR		<u>3,201,144</u>	<u>1,865,215</u>
OTHER COMPREHENSIVE INCOME			
Revaluation gain on land and buildings		-	3,371,518
TOTAL OTHER COMPREHENSIVE INCOME		-	<u>3,371,518</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,201,144</u>	<u>5,236,733</u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,339,417	2,906,718
Payments to trade creditors, other suppliers and creditors and employees		(7,119,244)	(4,940,681)
Bequests received		6,637,421	3,041,447
Grants received		75,000	75,000
Donations received		389,809	209,977
Interest and bank charges paid		<u>(17,176)</u>	<u>(14,610)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	5	<u>3,305,227</u>	<u>1,277,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		240,561	157,949
Payments for property, plant and equipment		(79,821)	(75,428)
Proceeds from sale of property, plant and equipment		-	1,364
Net transfers (to)/from term deposits		<u>(2,262,815)</u>	<u>(1,403,115)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(2,102,075)</u>	<u>(1,319,230)</u>
NET INCREASE/(DECREASE) IN CASH HELD		1,203,152	(41,379)
Cash at the beginning of the financial year		<u>720,282</u>	<u>761,661</u>
CASH AT THE END OF THE FINANCIAL YEAR	5	<u><u>1,923,434</u></u>	<u><u>720,282</u></u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Retained Profits \$	Reserves (Note 12) \$	Total Equity \$
As at 1 July 2014	10,894,414	7,566	10,901,980
Profit for the year	1,865,215	-	1,865,215
Other comprehensive income	-	3,371,518	3,371,518
As at 30 June 2015	12,759,629	3,379,084	16,138,713
Profit for the year	3,201,144	-	3,201,144
Other comprehensive income	-	-	-
As at 30 June 2016	<u>15,960,773</u>	<u>3,379,084</u>	<u>19,339,857</u>

The accompanying notes form part of these financial statements.

ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

1. CORPORATE INFORMATION

The financial report of Animal Welfare League NSW was authorised for issue in accordance with a resolution of the directors on 17 January 2017.

Animal Welfare League NSW is a company limited by guarantee with each member of the company liable to contribute an amount not exceeding \$5.00 in the event of the company being wound up. At 30 June 2016 there were 2,116 members.

The company was incorporated in Australia with its principal place of business being:

1605 Elizabeth Drive
KEMPS CREEK NSW 2178

The principal activities and objectives of the company during the financial year were:

- To promote and advance the welfare of all animals;
- To provide shelter and care for neglected, and all abandoned animals;
- To prevent and prosecute cruelty to animals via our Inspectorate;
- To provide veterinary care to injured and sick animals;
- To promote the desexing of pets; and
- To rehabilitate and rehome animals that come into our care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. The financial report has also been prepared on an historical cost basis and, except where stated, does not take into account current valuations of non-current assets.

The financial statements have been prepared by combining the financial records of Animal Welfare League NSW and its branches. In preparing the financial statements, all interbranch balances and transactions and unrealised profits arising as a result of interbranch transactions are eliminated in full.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("AIFRS") as issued by the International Accounting Standards Board.

ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant accounting judgments, estimates and assumptions

In the process of applying the company's accounting policies, management is required to make certain judgments, estimates and assumptions in relation to carrying values of certain assets and liabilities that are not readily available from other sources. These judgments, estimates and assumptions are based on historical experience and any other factors that are considered relevant.

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.

(d) Property, plant and equipment

Plant and equipment is stated at historic cost or valuation less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Buildings 5 years (previously 10 years)
- Plant and equipment 2 to 13 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement or statement of comprehensive income in the year the item is derecognised.

Impairment

Non-financial assets, other than goodwill and indefinite life intangibles, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets, other than goodwill, that suffered an impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

ANIMAL WELFARE LEAGUE NSW
(a company limited by guarantee)
A.C.N. 000 533 086

NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventories

Inventory items are written-off to the profit and loss as purchased.

(f) Cash and cash equivalents

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

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

(g) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless it is probable that the company will have the right to defer settlement of the liability for at least twelve months after the reporting date.

(h) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(i) Employee entitlements

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services to that date.

Long service leave

A liability for long service is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

ANIMAL WELFARE LEAGUE NSW
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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee entitlements (continued)

Superannuation

Contributions to defined superannuation plans are expensed as incurred.

Entitlements which are expected to be settled within twelve months are measured at their nominal values using current remuneration rates. Liabilities which are expected to be settled after twelve months are measured at the present value of estimated future cash outflows in respect of services provided up to reporting date.

(j) Leases

Finance leases, which transfer to the company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are amortised over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(k) Revenue

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

Sale of goods

Control of the goods has passed to the buyer.

Rendering of services

Control of the right to receive payment for the services performed has passed to the company.

Interest

Control of the right to receive the interest payment has passed to the company as the interest accrues.

Donations and bequests

Income received from donations and bequests is recognised as it is received.

ANIMAL WELFARE LEAGUE NSW
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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(m) Taxes

Income taxes

The company is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

Goods and Services Tax (GST)

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

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

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

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

(n) Comparative information

Where necessary, prior year comparative information has been reclassified to facilitate comparison with current year information.

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016 \$	2015 \$
3. REVENUES AND EXPENSES		
(a) Operating income		
Animal placements	455,332	478,253
Bequests	6,650,808	3,041,447
Boarding	357,499	348,748
Donations	389,809	209,977
Events	26,091	11,803
Fundraising	1,145,671	839,219
Grants	75,000	75,000
Memberships	14,376	31,140
Merchandise	63,330	56,861
Microchips	1,596	9,567
Op-shop	134,368	127,644
Vet fees	686,750	633,421
Other income	112,968	107,006
	<u>10,113,598</u>	<u>5,970,086</u>
(b) Finance income		
Interest – other corporations	<u>193,285</u>	<u>189,051</u>
(c) Other income		
Profit on sale of property, plant and equipment	<u>-</u>	<u>1,364</u>
(d) Finance expenses		
Interest and bank charges	<u>17,176</u>	<u>14,610</u>
(e) Depreciation		
Depreciation of non-current assets		
- Buildings	319,738	634,573
- Plant and equipment	70,577	91,093
	<u>390,315</u>	<u>725,666</u>
(f) Employee benefits		
Salaries and wages	3,291,249	2,444,398
Salaries, wages and superannuation adjustments		
-current year	8,247	100,000
Superannuation	304,252	222,350
	<u>3,603,748</u>	<u>2,766,748</u>
(g) Expenses included in other expenses		
Operating lease rental	<u>10,436</u>	<u>43,369</u>

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016	2015
	\$	\$

4. INCOME TAX

The company is exempt from income tax by virtue of Section 50-5 of the Income Tax Assessment Act.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	<u>1,923,434</u>	<u>720,282</u>
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Terms and conditions

Cash at bank and interest bearing deposits earn interest at floating rates based on daily bank deposit rates.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	<u>1,923,434</u>	<u>720,282</u>
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Reconciliation of the net profit after tax to the net cash flows from operations:

Net profit	3,201,144	1,865,215
Depreciation	390,315	725,666
Net (profit)/loss on sale of property, plant and equipment	-	(1,364)
Revaluation of property, plant and equipment	-	(1,450,195)
Interest income received and receivable	(240,561)	(157,949)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other debtors	49,999	(32,293)
(Increase)/decrease in inventory	-	31,722
(Increase)/decrease in other assets	(27,591)	-
Increase/(decrease) in trade and other creditors and provisions	<u>(68,079)</u>	<u>297,049</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES

<u>3,305,227</u>	<u>1,277,851</u>
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6. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade debtors	31,212	66,331
Provision for doubtful debtors	<u>(14,880)</u>	<u>-</u>

Other receivables	<u>16,332</u>	<u>66,331</u>
	<u>39,509</u>	<u>86,785</u>

<u>55,841</u>	<u>153,116</u>
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Terms and conditions

Trade debtors and other receivables are non-interest bearing and are generally settled within 30 days.

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016 \$	2015 \$
7. INVESTMENTS		
Shares - listed companies	<u>13,387</u>	<u>-</u>

8. OTHER FINANCIAL ASSETS

Term deposits	<u>8,759,084</u>	<u>6,496,269</u>
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Terms and conditions

Term deposits are generally taken out for periods of up to 12 months. The weighted average interest rate on term deposits at 30 June 2016 is 2.9% (2015: 3.0%).

Term deposits included above have original maturity dates of three months or more. Term deposits with original maturity dates of less than three months are included in cash for the purposes of the statement of cash flows.

9. PROPERTY, PLANT AND EQUIPMENT

Freehold land – at fair value	<u>4,300,000</u>	<u>4,300,000</u>
Buildings and improvements – at fair value	5,200,000	5,200,000
Accumulated depreciation	<u>(319,738)</u>	<u>-</u>
	<u>4,880,262</u>	<u>5,200,000</u>
Furniture, fittings and equipment – at cost	1,131,820	1,071,286
Accumulated depreciation	<u>(885,515)</u>	<u>(814,938)</u>
	<u>246,305</u>	<u>256,348</u>
Work in progress	<u>19,287</u>	<u>-</u>
Total property, plant and equipment	<u>9,445,854</u>	<u>9,756,348</u>

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years:

<i>Freehold land – at fair value</i>		
Carrying amount at beginning of the year	4,300,000	1,378,000
Revaluation adjustments	<u>-</u>	<u>2,922,000</u>
	<u>4,300,000</u>	<u>4,300,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016 \$	2015 \$
9. PROPERTY, PLANT AND EQUIPMENT (continued)		
Reconciliations (continued)		
<i>Buildings and improvements – at cost</i>		
Carrying amount at beginning	-	1,762,863
Additions	-	24,658
Transfers to buildings and improvements - at fair value	-	(1,451,349)
Depreciation expense	-	(336,172)
	<u>-</u>	<u>-</u>
<i>Buildings and improvements – at fair value</i>		
Carrying amount at beginning	5,200,000	2,099,393
Additions	-	17,237
Transfers from buildings and improvements – at cost	-	1,451,349
Transfers from furniture, fittings and equipment – at cost	-	30,710
Revaluation adjustments	-	1,899,712
Depreciation expense	(319,738)	(298,401)
	<u>4,880,262</u>	<u>5,200,000</u>
<i>Furniture, fittings and equipment – at cost</i>		
Carrying amount at beginning	256,348	344,617
Additions	60,534	33,534
Transfers to buildings and improvements - at fair value	-	(30,710)
Depreciation expense	(70,577)	(91,093)
	<u>246,305</u>	<u>256,348</u>
<i>Work in progress – at cost</i>		
Carrying amount at beginning	-	-
Additions	19,287	-
	<u>19,287</u>	<u>-</u>

Valuations

The company's land and buildings were valued by Australian Valuations on 12 June 2015. These valuations were based upon the estimated realisable values in an open market at that date and were as follows:

Freehold land	4,300,000
Buildings and improvements	<u>5,200,000</u>

The directors adopted these valuations at 30 June 2015 for the purposes of the financial statements. As a result of these valuations, land and buildings were revalued upwards by \$4,821,713. Of this amount \$1,450,195 was treated as income through the profit and loss as it reversed prior revaluation decrements which were posted as an expense through the profit and loss, with the remaining \$3,371,518 posted to the asset revaluation reserve.

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016 \$	2015 \$
10. TRADE AND OTHER PAYABLES		
Trade creditors	228,239	320,754
Other creditors and accrued charges	<u>359,787</u>	<u>130,647</u>
	<u>588,026</u>	<u>451,401</u>

Terms and conditions

Trade creditors, other creditors and accrued charges are non-interest bearing and are usually settled on 30 to 60 day terms.

11. PROVISIONS

Current

Salaries, wages and superannuation adjustments	-	250,000
Employee entitlements	<u>222,173</u>	<u>223,054</u>
Employee entitlements	<u>222,173</u>	<u>473,054</u>

Non-current

Employee entitlements	<u>61,748</u>	<u>62,847</u>
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12. RESERVES

Asset revaluation reserve	<u>3,379,084</u>	<u>3,379,084</u>
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Movements in reserves

Asset revaluation reserve

Balance at beginning of the year	3,379,084	7,566
Revaluation adjustments	<u>-</u>	<u>3,371,518</u>
	<u>3,379,084</u>	<u>3,379,084</u>

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another.

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

	2016	2015
	\$	\$

13. DIRECTOR INFORMATION

Directors

The directors named in the attached Directors' Report each held office as a director of the company for the periods indicated in the Directors' Report.

Remuneration of directors

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the company:

-	-
<u>-</u>	<u>-</u>

The number of directors during the year whose income (including superannuation contributions) falls within the following bands is:

\$0-\$9,999	<u>13</u>	<u>19</u>
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14. KEY MANAGEMENT PERSONNEL

Key management personnel includes all directors plus the following executive personnel during the current financial year:

- Andrew Mason – Chief Executive Officer

Key management personnel compensation:

Short-term	168,338	163,312
Post employment	14,048	13,632
Termination benefits	<u>-</u>	<u>-</u>
	<u>182,386</u>	<u>176,944</u>

15. COMMITMENTS

Capital Expenditure

Capital expenditure of \$Nil (2015: \$Nil) has been contracted at balance date but not provided in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

AT 30 JUNE 2016

16. FINANCIAL INSTRUMENTS

Interest rate risk

The Company's exposure to interest rate risks, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

	Floating Interest Rate		Fixed Interest Maturing Within 1 Year		Fixed Interest Maturing 1-5 Years		Non Interest Bearing		Average Interest Rate	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets										
- Cash assets	1,921,329	718,207	-	-	-	-	2,105	2,075	0.1	0.1
- Term deposits	-	-	8,759,084	6,496,269	-	-	-	-	2.9	3.0

All other financial assets and financial liabilities are non-interest bearing.

Credit risk

The maximum exposure to credit risk at balance date on recognised financial assets is the carrying amount, net of any provisions for losses, as disclosed in the statement of financial position.

Net fair values

The net fair values of financial assets and financial liabilities of the company at balance date approximate the book value as disclosed in the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
17. ADDITIONAL INFORMATION REQUIRED UNDER THE CHARITABLE FUNDRAISING ACT 1991		
Details of income and expenditure from fundraising appeals		
Gross proceeds:		
-Stalls	3,700	17,772
-Raffles	1,246	2,084
-Dinners	1,403	11,803
-Fundraising chocolates	1,333	1,884
-Fundraising appeal	<u>1,137,989</u>	<u>805,676</u>
Gross proceeds from fundraising appeals	<u>1,145,671</u>	<u>839,219</u>
Total costs:		
-Stalls	-	16,022
-Raffles	35	-
-Dinners	-	546
-Fundraising chocolates	478	504
-Fundraising appeal	<u>414,369</u>	<u>85,425</u>
Total costs of fundraising appeals	<u>414,882</u>	<u>102,497</u>
Surplus from fundraising appeals	<u><u>730,789</u></u>	<u><u>736,722</u></u>

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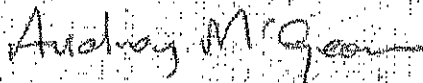
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Animal Welfare League NSW, we state that:

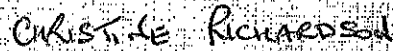
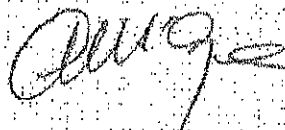
In the opinion of the directors:

- (a) the financial statements and notes of the company satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) complying with Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - (ii) giving at true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

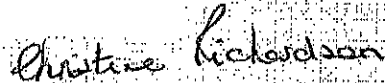
For and on behalf of the board



Director
17 January 2017



Director




ANIMAL WELFARE LEAGUE NSW
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PRINCIPAL OFFICER DECLARATION – CHARITABLE FUNDRAISING ACT 1991

I, Andrew Mason, Chief Executive Officer of Animal Welfare League NSW declare that in my opinion:

- (a) the attached financial statements give a true and fair view of all income and expenditure of Animal Welfare League NSW. The accompanying notes give a true and fair view of all income and expenditure of Animal Welfare League NSW with respect to fundraising appeals; and
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991 and the regulations and conditions attached to the authority to fundraise have been complied with; and
- (d) the internal controls exercised by Animal Welfare League NSW are appropriate and effective in accounting for all income received and applied from any fundraising appeals; and
- (e) accounts and associated records have been properly kept during the year in accordance with this Act; and
- (f) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Andrew Mason
Chief Executive Officer
17 January 2017