

ANIMAL WELFARE LEAGUE NSW

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2017**

ANIMAL WELFARE LEAGUE NSW

ACN 000 533 086

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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2017.

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 Attended
Christine Richardson	22
Glynis Boobyer	22
Audrey McGeown	20
David Hope (Appointed 5 January 2016)	18
Deborah Cox (Appointed 30 July 2016) (Resigned 13 May 2017)	11
Shawn Skyring (Appointed 30 July 2016)	14
Christopher Adamson (Appointed 30 July 2016) (Resigned 13 May 2017)	10
Mark Slater (Appointed 27 October 2016) (Resigned 1 March 2017)	4
Sarita Verma (Resigned 25 July 2016)	-
Jeanette Rossiter (Appointed 5 January 2016) (Resigned 24 August 2016)	-
Peter Zachert (Appointed 21 June 2016) (Resigned 13 October 2016)	4
Annette Tomlinson (Appointed 13 May 2017)	6
Narelle Cocks (Appointed 13 May 2017)	5
Jeanette Emanuel (Appointed 13 May 2017)	6
Dr Joanne Righetti (Appointed 13 May 2017)	-

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DIRECTORS' REPORT

1. INFORMATION ON DIRECTORS

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

Name of Director	Qualifications/Experience	Appointed on AWL Board
Christine Richardson	Registered Nurse Semi-retired and partner in husband's medical practice. Medical centre Practice Manager and ultrasonographer.	Wednesday, 12 November 2014
Glynis Boobyer	Corporate communications and branding Corporate communications and branding. A lifetime of dedication to animal welfare issues, volunteering for the RSPCA in UK from an early age.	Wednesday, 12 November 2014
Audrey McGeown	Diploma in Business Administration 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.	Wednesday, 12 November 2014
David Hope	Bachelor of Veterinary Science from University of Sydney 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
Shawn Skyring	LLB, B. Comm, Grad Dip Legal Practice 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 casual director in July 2016 and elected as director on 13th May 2017. Appointed 30 July 2016
Dr Joanne Righetti	BSc (Hons) Zoology PhD Biology (Animal Behavior) Diploma Counselling 20 years' experience as an Animal Behavior Consultant.	Saturday, 13 May 2017
Jeanette Emanuel	Office Administrator Office Administrator with Toyota Finance for 30 years. Member of the Urban Animal Advisory Committee for Blacktown Council.	Saturday, 13 May 2017
Narelle Cocks	Extensive experience in various management portfolios for over 20 years, including facility management, financial management, hospitality and event management. Established and operated small business.	Saturday, 13 May 2017
Annette Tomlinson	Cert III Aged Care. Animal Attendant Certificate. Proprietor of Boarding Kennel.	Saturday, 13 May 2017

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;

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DIRECTORS' REPORT

- 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 all animals; and
- To rehabilitate and rehome animals that come into our care.

All company activities are directed towards achieving company objectives.

(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 all 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 all 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 all 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;

(d) Strategies for achieving objectives (continued)

- Promote desexing of all 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 with the assistance of our branches; and
- Continued development of amendment of legislation and regulations affecting animal welfare.

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DIRECTORS' REPORT

3. TRADING RESULTS

The net deficit of the company for the year was \$1,104,710 (2015: \$3,201,144 surplus).

4. 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 17 – Related party transactions.

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found following this report.

For and on behalf of the board

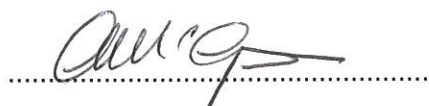
Director



David Hope

Date: 24 October 2017

Director



Audrey McGeown

Date: 24 October 2017

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2(a)	6,625,042	10,113,598
Other revenue	2(b)	233,486	193,285
Employee provisions expense	2(e)	(4,008,327)	(3,791,471)
Depreciation and amortisation expense	2(d)	(1,002,955)	(390,315)
Vet expense fees		(597,843)	(517,826)
Legal and professional fees		(434,319)	(324,956)
Consumables		(360,450)	(372,890)
Contract fees		(209,826)	(358,629)
Utilities expense		(173,068)	(152,886)
Fundraising expenses		(125,046)	(414,883)
Food and board for shelter animals		(98,201)	(53,814)
Repairs and maintenance		(100,076)	(90,761)
Postage		(71,144)	(53,988)
Computer expenses		(61,797)	(54,450)
Motor Vehicle expenses		(42,795)	(42,430)
Bad and doubtful debts expense		(16,662)	(14,880)
Interest expense	2(c)	(16,529)	(17,178)
Rental Expense		(9,564)	(10,436)
Other Operating Expenses		(634,636)	(443,946)
Current year surplus before income tax		(1,104,710)	3,201,144
Tax expense		-	-
Net current year (deficit)/surplus		(1,104,710)	3,201,144
Net current year (deficit)/surplus attributable to members of the entity		<u>(1,104,710)</u>	<u>3,201,144</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:		-	-
Total other comprehensive (loss)/income for the year		(1,104,710)	3,201,144
Net current year (deficit)/surplus attributable to members of the entity		<u>(1,104,710)</u>	<u>3,201,144</u>
Total comprehensive (loss)/income attributable to members of the entity		<u>(1,104,710)</u>	<u>3,201,144</u>

The accompanying notes form part of these financial statements.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	3	9,837,215	10,682,518
Accounts receivable and other debtors	4	30,317	55,841
Financial assets	6	12,929	13,387
Other current assets	5	130,436	14,204
TOTAL CURRENT ASSETS		10,010,897	10,765,950
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,903,950	9,437,553
Intangible assets	8	7,156	8,301
TOTAL NON-CURRENT ASSETS		8,911,106	9,445,854
TOTAL ASSETS		18,922,003	20,211,804
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	419,376	588,026
Employee provisions	10	187,552	222,173
TOTAL CURRENT LIABILITIES		606,928	810,199
NON-CURRENT LIABILITIES			
Employee provisions	10	79,928	61,748
TOTAL NON-CURRENT LIABILITIES		79,928	61,748
TOTAL LIABILITIES		686,856	871,947
NET ASSETS		18,235,147	19,339,857
EQUITY			
Retained surplus		14,856,063	15,960,773
Reserves		3,379,084	3,379,084
TOTAL EQUITY		18,235,147	19,339,857

The accompanying notes form part of these financial statements.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surplus	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 July 2015	12,759,629	3,379,084	10,901,980
Comprehensive income			
Surplus for the year attributable to members of the entity	3,201,144	-	3,201,144
Total comprehensive income attributable to members of the entity			
Balance at 30 June 2016	15,960,773	3,379,084	19,339,857
Balance at 1 July 2016	15,960,773	3,379,084	19,339,857
Comprehensive income			
Surplus for the year attributable to members of the entity	(1,104,710)	-	(1,104,710)
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity	14,856,063	3,379,084	18,235,147
Balance at 30 June 2017	14,856,063	3,379,084	18,235,147

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,990,721	3,339,417
Commonwealth, state and local government grants		168,910	75,000
Receipts from donations, bequests and raffles		4,494,637	7,027,230
Payments to suppliers and employees		(7,199,329)	(7,119,244)
Interest paid		(16,529)	(17,176)
Net cash (used)/generated from operating activities	13	(561,590)	3,305,227
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(468,208)	(79,821)
Interest received		184,495	240,561
Net cash from/(used) in investing activities		(283,713)	160,740
Net (decrease)/increase in cash held		(845,303)	3,465,967
Cash on hand at beginning of the financial year		10,682,518	7,216,551
Cash on hand at end of the financial year	3	9,837,215	10,682,518

The accompanying notes form part of these financial statements.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

The financial statements cover Animal Welfare League NSW as an individual entity, incorporated and domiciled in Australia. Animal Welfare League NSW is a company limited by guarantee.

The financial statements were authorised for issue on 24 October 2017 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Donations and bequests are recognised as revenue when received.

Animal Welfare League NSW receives reciprocal and non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from sale of goods is recognised to the extent control of goods has passed to the buyer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

c. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use

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

Class of Fixed Asset	Estimated Useful Life
Buildings	5 years
Plant and equipment	2 to 13 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Financial Instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h. Employee Provisions

Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

i. **Cash on Hand**

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

j. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

k. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

m. **Intangible Assets**

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. **Provisions**

Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o. **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

p. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) *Impairment*

The freehold land and buildings were independently valued at 30 June 2015 by Animal Welfare League NSW. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

Key judgements

(i) *Available-for-sale investments*

The company maintains a portfolio of securities with a carrying amount of \$12,929 at the end of the reporting period. The directors do not believe a significant decline that would constitute a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is unacceptable to the directors or should prices remain at levels below cost for an unacceptable period, the directors have determined that such investments will be considered impaired in the future.

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(ii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

r. **Economic Dependence**

Animal Welfare League NSW is dependent on bequests and fundraising revenue to continue in future years for it to remain in business.

s. **New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors do not anticipate that the adoption of AASB 9 will have any material impact on the company's financial instruments.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2016-4: Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2017).

This Standard amends AASB 136: *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: *Intangible Assets*, but applies to such assets accounted for under the cost model in those Standards.

AASB 2016-4 is not expected to have a significant impact on the company's financial statements.

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE AND EXPENSES

	2017	2016
	\$	\$
2(a) Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
– Animal placements	481,314	455,332
– Bequests	3,186,609	6,650,808
– Boarding	315,867	357,499
– Donations	205,697	389,809
– Events	6,013	26,091
– Fundraising	1,102,331	1,145,671
– Grants	168,910	75,000
– Memberships	19,875	14,376
– Merchandise	82,102	63,330
– Microchips	8,259	1,596
– Op-shop	111,474	134,368
– Veterinary fees	636,073	686,750
– Other income	300,518	112,968
	<u>6,625,042</u>	<u>10,113,598</u>
2(b) Other revenue:		
– Interest earned	226,210	193,285
– Dividends received	4,987	-
– Gain on sale of assets	2,289	-
	<u>233,486</u>	<u>193,285</u>
Total revenue and other income	<u>6,858,528</u>	<u>10,306,883</u>
2(c) Interest expense		
– Bank charges	(16,529)	(17,178)
2(d) Depreciation and amortisation		
	2017	2016
	\$	\$
Buildings	(893,266)	(314,882)
Plant & equipment	(108,544)	(74,288)
Software	(1,145)	(1,145)
	<u>(1,002,955)</u>	<u>(390,315)</u>

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

2(e) Employee benefits

	Note	2017	2016
		\$	\$
Salaries and wages		(3,646,719)	(3,451,624)
Staff training and development expenses		(32,507)	(27,348)
Salaries, wages and superannuation adjustments		-	(8,247)
Superannuation		(329,102)	(304,252)
		<u>(4,008,328)</u>	<u>(3,791,471)</u>

NOTE 3: CASH ON HAND

	2017	2016
	\$	\$
CURRENT		
Cash at bank – unrestricted	1,119,597	1,923,434
Term Deposits	8,717,618	8,759,084
Total cash on hand as stated in the statement of financial position and statement of cash flows	<u>9,837,215</u>	<u>10,682,518</u>

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2017	2016
		\$	\$
CURRENT			
Accounts receivable		28,864	31,212
Provision for doubtful debts		(15,537)	(14,880)
		<u>13,327</u>	<u>16,332</u>
Other debtors		16,990	39,509
Total current accounts receivable and other debtors	19	<u>30,317</u>	<u>55,841</u>

Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

NOTE 5: OTHER CURRENT ASSETS

	2017	2016
	\$	\$
Accrued income	3,574	-
Accrued interest	55,920	-
Prepayments	70,942	14,204
	<u>130,436</u>	<u>14,204</u>

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: FINANCIAL ASSETS

	2017	2016
	\$	\$
CURRENT		
Financial assets at fair value through profit or loss	12,929	13,387
	<u>12,929</u>	<u>13,387</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Land and Buildings		
Freehold land at fair value	4,300,000	4,300,000
Buildings at fair value:	5,249,756	5,200,000
Less accumulated depreciation	(1,214,872)	(319,738)
Work in progress	242,318	19,287
Total buildings	<u>4,277,202</u>	<u>4,899,549</u>
Total land and buildings	<u>8,577,202</u>	<u>9,199,549</u>
Plant and Equipment		
Plant and equipment:		
At cost	1,204,941	1,120,370
Less accumulated depreciation	(878,193)	(882,366)
Total plant and equipment	<u>326,748</u>	<u>238,004</u>
Total property, plant and equipment	<u>8,903,950</u>	<u>9,437,553</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Plant and Equipment \$	Total \$
2017			
Balance at the beginning of the year	9,199,549	238,004	9,437,553
Additions at cost	592,525	966,937	1,559,462
Depreciation expense	(1,214,872)	(878,193)	(2,093,065)
Carrying amount at the end of the year	<u>8,577,202</u>	<u>326,748</u>	<u>8,903,950</u>

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	Land and Buildings \$	Plant and Equipment \$	Total \$
2016			
Balance at the beginning of the year	9,500,000	246,902	9,746,902
Additions at cost	19,287	60,534	79,821
Depreciation expense	(319,738)	(69,432)	(389,170)
Carrying amount at the end of the year	9,199,549	238,004	9,437,553

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2015 by Animal Welfare League NSW. The valuation resulted in a revaluation increment of \$9,500,000 being recognised in the revaluation surplus for the year ended 30 June 2015.

At 30 June 2017 the directors reviewed the key assumptions made by the valuers at 30 June 2015 and have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2017. Refer to Note 20 for detailed disclosures regarding the fair value measurement of the company's freehold land and buildings.

NOTE 8: INTANGIBLE ASSETS

	2017 \$	2016 \$
Computer software – at cost	11,450	11,450
Accumulated amortisation	(4,294)	(3,149)
Net carrying amount	7,156	8,301

NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2017 \$	2016 \$
CURRENT		
Trade Creditors	301,857	228,239
Other current payables	117,519	359,787
	419,376	588,026

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: EMPLOYEE PROVISIONS

	2017	2016
	\$	\$
Analysis of employee provisions		
Current:		
– annual leave entitlements	187,552	222,173
Total current employee provisions	187,552	222,173
Non-current:		
– long service leave entitlements	79,928	61,748
	79,928	61,748

Employee provisions

Employee provisions represent amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 11: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 12: RELATED PARTY TRANSACTIONS

	2017	2016
	\$	\$
a. Key Management Personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.		
Key management personnel compensation:		
– short-term employee benefits	162,243	168,338
– post-employment benefits	8,338	14,048
– other long-term benefits	-	-
	170,581	182,386

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: CASH FLOW INFORMATION

	2017	2016
	\$	\$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year (deficit)/surplus	(1,104,710)	3,201,144
Non-cash flows:		
Depreciation and amortisation expense	1,002,956	390,315
Interest income received and receivable	(226,209)	(240,561)
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(48,535)	22,408
Increase/(decrease) in accounts payable and other payables	(185,092)	(68,079)
	<u>(561,590)</u>	<u>3,305,227</u>

NOTE 14: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017	2016
		\$	\$
Financial assets			
Cash on hand	3	9,837,215	10,682,518
Accounts receivable and other debtors	4	30,317	55,841
Financial assets at fair value through profit or loss:			
– investments in listed shares, held for trading	6	12,929	13,387
Total financial assets		<u>9,880,461</u>	<u>10,751,746</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and other payables	10	187,872	588,026
Total financial liabilities		<u>187,872</u>	<u>588,026</u>

Financial Risk Management Policies

The finance committee is responsible for monitoring and managing the company's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

ANIMAL WELFARE LEAGUE NSW

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FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

ANIMAL WELFARE LEAGUE NSW

ACN 000 533 086

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

NOTE 15: FAIR VALUE MEASUREMENTS

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. **Fair Value Hierarchy**

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.

ANIMAL WELFARE LEAGUE NSW

ACN 000 533 086

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Recurring fair value measurements

	30 June 2017		
	Level 1	Level 3	Total
	\$	\$	\$
<i>Financial assets</i>			
Financial assets at fair value through profit or loss			
- shares in listed companies	12,929	-	12,929
Total financial assets recognised at fair value	12,929	-	12,929
<i>Non-financial assets</i>			
Freehold land	-	4,300,000	4,300,000
Buildings	-	4,277,202	4,277,202
Total non-financial assets recognised at fair value	-	8,577,202	8,577,202

NOTE 16: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 17: ENTITY DETAILS

The registered office of the entity is:

Animal Welfare League NSW
1605 Elizabeth Drive
Kemps Creek, NSW 2178

The principal place of business is:

Animal Welfare League NSW
1605 Elizabeth Drive
Kemps Creek, NSW 2178

ANIMAL WELFARE LEAGUE NSW

ACN 000 533 086

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the number of members was 1,761.

ANIMAL WELFARE LEAGUE NSW

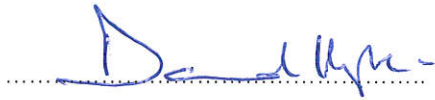
ACN 000 533 086

DIRECTORS' DECLARATION

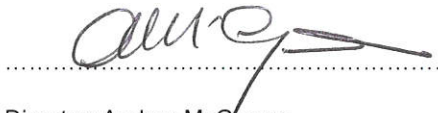
The directors of the registered entity declare that in the directors' opinion:

1. The financial statements and notes, as set out on pages 6 to 29, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position of the registered entity as at 30 June 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director: David Hope



Director: Audrey McGeown

Date: 24 October 2017

Date: 24 October 2017

ANIMAL WELFARE LEAGUE NSW
ACN 000 533 086

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ANIMAL WELFARE LEAGUE NSW**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

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

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar
Partner
Date: 24 October 2017

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ANIMAL WELFARE LEAGUE NSW
ACN 000 533 086

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANIMAL WELFARE LEAGUE NSW

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of Animal Welfare League NSW, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Animal Welfare League NSW is in accordance with the Australian Charities and Not-for-Profit Commission Act 2012, including:

- a. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the Australian Charities and Not-for-Profit Commission Act 2012;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 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.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

HALL CHADWICK (NSW)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar

Partner

Dated: 24 October 2017