

RSPCA Tasmania Limited

ACN 611 485 271

Annual Report - 30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

The details of each person in office at any time during the year are as shown below, Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

Name: Alexandra Garrott
Title: President and Chair of the Board
Qualifications: BA, Grad Dip Sci (Hons), MBT, GAICD
Experience and expertise:

- Executive experience in public and private sectors;
- 20+ years experience in organisational change management, human resources, and industrial relations;
- Nationally accredited mediator

Name: Felicia Mariani
Title: Vice President and Deputy Chair
Qualifications: GAICD, AICD
Experience and expertise:

- Executive and Senior Management roles in the public, private and NFP sectors;
- 20 years of experience in complex marketing environments;
- Extensive background in Corporate Communications and Government Relations at a State and Federal level;
- Accomplished track record in establishing commercial partnerships and strategic alliances

Name: Bethany Harding
Title: Director
Qualifications: BBus, CA
Experience and expertise:

- 3.5 years experience in business and personal accounting and advisor;
- Currently, a financial accountant for a government owned company.

Name: Luke Butcher
Title: Director
Qualifications: DipBus, DipEng, MBCS, MAICD
Experience and expertise:

- 25 years experience in IT;
- Senior management, strategy and consulting roles for private, public and government organisations;
- VP of Education, Toastmasters International Southbank.

Name: Catherine Martin
Title: Director and Chair of the Governance, Risk and Nominations Committee
Qualifications:

- Graduate, Australian Institute of Company Directors;
- Graduate Diploma in Legal Practice, College of Law;
- Bachelor of Laws, UNSW;
- Bachelor of Arts (Political Science and Economics), ANU.

Experience and expertise:

- Solicitor and officer of the Supreme Court of NSW and Queensland;
- Attorney, Indiana State Bar, USA;
- 6 years private legal practice as a solicitor and registered trade mark attorney, Sydney, NSW;
- Over 15 years executive leadership roles including global Chief Privacy Officer, General Counsel (Africa, Middle East, Russia/CIS, Turkey and Asia), General Counsel (China and Japan) and General Counsel (Australia and New Zealand), for a multinational pharmaceutical company working from Sydney, Austria and USA and university owned technology commercialisation company in Sydney;
- Non-Executive Director, Health Care Insurance Ltd; Member Audit Committee; Member Remuneration Committee 2022;
- Non-Executive Director, Palliative Care Tasmania 2018-19; Chair Governance and Risk Committee 2019-21;
- Board member, International Pharmaceutical Privacy Consortium 2015-16;
- Chair, Data Privacy Legal global network 2015-16

**RSPCA Tasmania Limited
Directors' report
30 June 2023**

Name: Dave Tilley
Title: Director
Qualifications: - Diploma of Fraud Control - Sydney Institute of Professional Studies;
- Certificate IV in Government Investigations (Regulatory Compliance);
- Graduate Diploma of Legal Practice, College of Law;
- Bachelor of Arts and Laws, UTAS;
- Tasmania Police Academy.
Experience and expertise: - Solicitor and officer of the Supreme Court of Tasmania;
- Board Director & Deputy Chairperson, Mental Health Council of Tasmania;
- Member, The Law Society of Tasmania;
- Member, Amnesty International.

Name: Charlotte Pollack
Title: Director and Chair of the Finance and Audit Committee
Qualifications: - BA (Hons) in Accounting and Finance, Durham University;
- Chartered Accountant with the Institute of Chartered Accountants in England and Wales.
Experience and expertise: - Over 12 years experience in audit and accounting in London, Sydney and Tasmania;
- Experience in external and internal audit, financial controls, finance system implementation and financial statement preparation.

Name: Alexis Airey
Title: Director
Qualifications: - BA (Hons) in History and American Studies, University College of Ripon & York St John;
- MSc Computer Science, York University;
- Chartered Banker Institute Certificate in Green and Sustainable Finance;
- GAICD.
Experience and expertise: - Over 20 years' experience in customer focused roles across a range of industries in Australia and the UK, including financial services, telecoms and postal services.

Name: Jacob Smith
Title: Director
Qualifications: BBA, GAICD
Experience and expertise: - Executive & Senior Management roles in Private & Not-for-profit Sectors;
- Connect42 Inc. Non-Executive Director (Since 2020).

Name: Anna Ekdahl
Title: Director
Qualifications: Diploma of Ambulance Paramedic Studies, MBA, Certificate of Business Analytics
Experience and expertise: - 15 years working in various operational roles for ambulance services in Victoria and Tasmania;
- Project Management experience;
- Specialising in Disaster Planning and Emergency Management;
- Member of Australian Cave Rescue Commission.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Appointed	Resigned	Meetings of Directors Eligible to attend	Number attended
Alexandra Garrott	11/04/2016		12	9
Felicia Mariani	18/04/2016		12	10
Bethany Harding	20/10/2018		12	7
Anna Ekdahl*	19/10/2018	14/03/2023	8	3
Luke Butcher	19/10/2019		12	10
Catherine Martin	23/11/2020		12	10
Dave Tilley	05/12/2020		12	6
Charlotte Pollack	01/01/2022		12	9
Alexis Airey	15/06/2023		1	1
Jacob Smith	15/06/2023		1	1

*Leave of absence granted from Dec 22 - May 23

Principal activities

The principal activity of RSPCA Tasmania Ltd is to consider and act for the welfare of animals within the internationally recognised policy framework known as the five freedoms for animals:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain and injury or disease
- Freedom to express normal behaviour
- Freedom from fear and distress

RSPCA Tasmania Ltd works to prevent suffering and cruelty to animals and to promote the welfare of animals by:

- Create a fiscally sustainable organisation
- Maintain an 'animals first' focus
- Work with other reputable animal care providers to ensure we can help as many animals as possible across the state
- Ensure our core business upholds our vision and mission

The short-term objectives of RSPCA Tasmania Ltd are to:

- Educating the Tasmanian community regarding the humane treatment and management of animals, and increasing public awareness of and support for animal welfare
- Enforcing the existing laws to prevent cruelty to animals
- Influencing the amendment or development of legislation and standards considered necessary for the protection and welfare of animals
- Providing animal rescue and welfare activities

To achieve these objectives, the RSPCA Tasmania Ltd has adopted the following strategies:

- Ongoing review and restructure of business operations
- Development and implementation of strong marketing plans for both regular and workplace giving
- Lessening reliance on bequests
- Developing and maintaining a strong budget
- Forming associations with key organisations within animal care and welfare in Tasmania
- reviewing and renegotiating all contractual relationships

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Incorporation

The company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee.

Contributions on winding up

In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

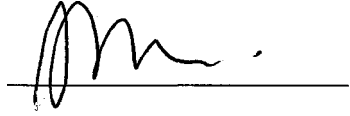
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

RSPCA Tasmania Limited
Directors' report
30 June 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a horizontal line and a small flourish.

Company secretary

4 November 2023

DECLARATION OF INDEPENDENCE BY DAVID E PALMER TO THE DIRECTORS OF RSPCA TASMANIA LIMITED

As lead auditor of RSPCA Tasmania Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RSPCA Tasmania Limited.



DAVID E PALMER
Partner

BDO Audit (TAS)

Hobart, 6 November 2023

RSPCA Tasmania Limited

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General information

The financial statements cover RSPCA Tasmania Limited as an individual entity. The financial statements are presented in Australian dollars, which is RSPCA Tasmania Limited's functional and presentation currency.

RSPCA Tasmania Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

17 Plumber Street
MOWBRAY TAS 7248

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2023. The directors have the power to amend and reissue the financial statements.

RSPCA Tasmania Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Operating Revenue			
Animal centre	3	273,759	275,997
Vet clinic		60,681	20,453
Inspectorate service		550,000	550,000
Marketing & development	4	620,995	594,726
Grants & subsidies	5	353,671	215,683
Merchandising	6	291,360	218,075
Sundry income	7	140,500	(10,846)
Operating Expenses			
Animal care	8	(131,748)	(91,345)
Veterinary costs	9	(302,568)	(349,988)
Employment expenses	10	(2,082,631)	(1,801,661)
Marketing & development	11	(330,347)	(259,562)
Corporate services	12	(567,240)	(403,126)
Merchandising	6	(207,305)	(167,994)
Travel & motor vehicle		(116,100)	(94,046)
Property & utilities		(111,304)	(94,710)
Depreciation		(156,957)	(131,406)
Operating deficit		(1,715,234)	(1,529,750)
Interest		85,728	3,277
Dividend income		11,890	387
Legacies & bequests		756,369	1,691,265
Surplus/(deficit) for the year attributable to the members of RSPCA Tasmania Limited	27	(861,247)	165,179
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of RSPCA Tasmania Limited		<u>(861,247)</u>	<u>165,179</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RSPCA Tasmania Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash on hand	14	1,758,479	2,249,285
Accounts receivable and other debtors	15	2,911	8,812
Inventories on hand	16	69,709	91,774
Financial assets	17	8,414	12,920
Other current assets	18	50,219	57,942
Total current assets		<u>1,889,732</u>	<u>2,420,733</u>
Non-current assets			
Property, plant and equipment	19	696,914	608,021
Right-of-use assets	20	551,208	317,657
Total non-current assets		<u>1,248,122</u>	<u>925,678</u>
Total assets		<u>3,137,854</u>	<u>3,346,411</u>
Liabilities			
Current liabilities			
Accounts payable and other payables	21	218,879	140,925
Lease liabilities	22	127,565	75,448
Employee provisions	24	311,836	282,899
Deferred revenue	26	185,485	-
Total current liabilities		<u>843,765</u>	<u>499,272</u>
Non-current liabilities			
Lease liabilities	23	438,856	254,074
Employee provisions	25	18,566	19,589
Total non-current liabilities		<u>457,422</u>	<u>273,663</u>
Total liabilities		<u>1,301,187</u>	<u>772,935</u>
Net assets		<u>1,836,667</u>	<u>2,573,476</u>
Equity			
Reserves		269,819	143,354
Retained surpluses	27	1,566,848	2,430,122
Total equity		<u>1,836,667</u>	<u>2,573,476</u>

The above statement of financial position should be read in conjunction with the accompanying notes

RSPCA Tasmania Limited
Statement of changes in equity
For the year ended 30 June 2023

	Rescue Equipment Reserve \$	Revaluation of Assets \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2021	-	143,354	2,264,943	2,408,297
Surplus for the year	-	-	165,179	165,179
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	165,179	165,179
Balance at 30 June 2022	-	143,354	2,430,122	2,573,476

	Rescue Equipment Reserve \$	Revaluation of Assets \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2022	-	143,354	2,430,122	2,573,476
Deficit for the year	-	-	(861,247)	(861,247)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(861,247)	(861,247)
Gain/ (loss) on revaluation	-	124,438	-	124,438
Balance at 30 June 2023	-	267,792	1,568,875	1,836,667

The above statement of changes in equity should be read in conjunction with the accompanying notes

RSPCA Tasmania Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers & donors		2,139,184	1,936,995
Payments to suppliers & employees		<u>(3,555,717)</u>	<u>(3,321,177)</u>
		(1,416,533)	(1,384,182)
Interest received		11,890	812
Bequest income		756,369	1,687,221
Dividend & trust income		85,728	3,277
Grant income		<u>193,015</u>	<u>38,636</u>
Net cash from/(used in) operating activities	29	<u>(369,531)</u>	<u>345,764</u>
Cash flows from investing activities			
Payments for property, plant and equipment	19	(25,278)	(48,191)
Proceeds from disposal of property, plant and equipment		<u>2,000</u>	<u>1,800</u>
Net cash used in investing activities		<u>(23,278)</u>	<u>(46,391)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(97,997)</u>	<u>(63,737)</u>
Net cash used in financing activities		<u>(97,997)</u>	<u>(63,737)</u>
Net increase/(decrease) in cash and cash equivalents		(490,806)	235,636
Cash and cash equivalents at the beginning of the financial year		<u>2,249,285</u>	<u>2,013,649</u>
Cash and cash equivalents at the end of the financial year	14	<u><u>1,758,479</u></u>	<u><u>2,249,285</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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 value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when the Company become party to the contractual provisions of the instrument. These are initially measured at fair value, except for trade receivables which are initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those at fair value through profit and loss) are deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial acquisition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and structural improvements	2.5%
Leasehold improvements	10-30%
Motor Vehicles	22.5-30%
Other plant and equipment	5-40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Animal Centre

	2023 \$	2022 \$
Adoption	163,871	212,546
Boarding	855	22,457
Other animal centre	76,039	21,516
Inspectorate animals	32,994	19,478
	<u>273,759</u>	<u>275,997</u>

Note 4. Marketing & Development

	2023 \$	2022 \$
Donations	99,145	123,362
Fundraising	521,379	467,141
Sponsorships	-	3,279
Membership	471	944
	<u>620,995</u>	<u>594,726</u>

Fundraising reconciliation set out at note 13.

Note 4. Marketing & Development (continued)

Sponsorships	2023 \$	2022 \$
Hills sponsorship	-	3,279

Note 5. Grants & Subsidies

	2023 \$	2022 \$
Grants	193,015	38,636
National subsidies	160,656	177,047
	<u>353,671</u>	<u>215,683</u>

Grants	2023 \$	2022 \$
City of Launceston	-	4,545
Department of Communities Tasmania - Safe Beds Program	100,000	-
Department of Natural Resources and Environment Tasmania - Reducing Animal welfare breaches by socialising the Animal Welfare (dogs) Regulations	28,500	-
Department of Natural Resources and Environment Tasmania - Animal Welfare Initiatives Grant Program	14,515	-
Department of Premier and Cabinet - National Partnership on Family, Domestic and Sexual Violence 2021-2023	50,000	-
Pet Barn	-	25,000
TG & JM Matthews Foundation	-	9,091
	<u>193,015</u>	<u>38,636</u>

Note 6. Merchandising

	2023 \$	2022 \$
Sale of goods & services	<u>291,360</u>	<u>218,075</u>
Cost of sales	(207,305)	(166,994)
Gross profit	84,055	50,081
Gross profit margin	28.85%	22.97%

Note 7. Sundry Income

	2023 \$	2022 \$
Gain/ (loss) on disposal of assets	2,000	(10,901)
Other income	138,500	55
	<u>140,500</u>	<u>(10,846)</u>

Note 8. Animal Care Costs

	2023 \$	2022 \$
Cleaning	4,795	3,638
Food	3,061	2,788
Other animal centre expenses	41,433	81,857
Inspectorate animal expenses	5,853	2,009
Safe bed expenses	76,606	1,053
	<u>131,748</u>	<u>91,345</u>

Note 9. Veterinary Costs

	2023 \$	2022 \$
Veterinary expenses	225,220	280,022
Consumables & minor equipment	67,812	63,353
Microchip expenses	9,536	6,613
	<u>302,568</u>	<u>349,988</u>

Note 10. Employment Expenses

	2023 \$	2022 \$
Employment expenses	2,041,488	1,716,454
Move in annual & long service leave provisions	27,914	71,242
Other employment expenses	11,000	11,000
Training & development	2,229	2,965
	<u>2,082,631</u>	<u>1,801,661</u>

Note 11. Marketing & Development Costs

	2023 \$	2022 \$
Fundraising	<u>330,347</u>	<u>259,562</u>

RSPCA Tasmania Limited
Notes to the financial statements
30 June 2023

Note 12. Corporate Services Costs

	2023 \$	2022 \$
Accountancy and audit	15,078	15,737
Professional fees	60,453	23,520
Subscriptions	109,759	90,051
Advertising	6,468	28,676
Bank fees	5,878	4,391
Finance lease charges	13,185	11,621
Communications & call centre	73,927	63,290
Legal & court fees	9,425	8,553
Insurance	114,604	88,352
Printing, stationary and computer expenses	51,335	59,999
Meeting expenses	22,067	7,963
Sundry	85,061	973
	<u>567,240</u>	<u>403,126</u>

Note 13. Fundraising

	Income	Expenditure	Profit/ (deficit)
2023			
Million Paws Walk	29,384	(12,682)	16,702
CupCake Day	8,162	(75)	8,087
Appeals	68,397	(150)	68,247
Raffles	352,114	(225,129)	126,985
Other fundraising income	63,322	(90,923)	(27,601)
	<u>521,379</u>	<u>(328,959)</u>	<u>192,420</u>
2022			
Million Paws Walk	34,120	(2,887)	31,233
CupCake Day	5,508	(46)	5,462
Appeals	33,803	(987)	32,816
Raffles	367,874	(235,550)	132,324
Other fundraising income	25,836	(20,092)	5,744
	<u>467,141</u>	<u>(259,562)</u>	<u>207,579</u>

Note 14. Current assets - cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	450	1,300
Cash at bank	1,152,274	1,540,686
Westpac	430	1,297
ANZ	94,130	366,053
ANZ	494,787	329,361
Budgetly (prepaid debit card)	5,820	-
ANZ	10,588	10,588
	<u>1,758,479</u>	<u>2,249,285</u>

Note 15. Current assets - trade and other receivables

	2023 \$	2022 \$
Trade receivables	<u>2,911</u>	<u>8,812</u>

Note 16. Current assets - inventories

	2023 \$	2022 \$
Goods for resale	<u>69,709</u>	<u>91,774</u>

Note 17. Current assets - financial assets

	2023 \$	2022 \$
Listed shares	<u>8,414</u>	<u>12,920</u>

Note 18. Current assets - other

	2023 \$	2022 \$
Prepayments	50,219	57,485
Other current assets	<u>-</u>	<u>457</u>
	<u>50,219</u>	<u>57,942</u>

Note 19. Non-current assets - property, plant and equipment

	2023 \$	2022 \$
Land - at valuation	<u>225,000</u>	<u>145,000</u>
Buildings - at valuation	<u>285,000</u>	<u>220,000</u>
Building improvements - at cost	7,727	7,727
Less: Accumulated depreciation	<u>(3,903)</u>	<u>(2,144)</u>
	<u>3,824</u>	<u>5,583</u>
Leasehold improvements - at cost	50,484	42,408
Less: Accumulated depreciation	<u>(11,228)</u>	<u>(6,987)</u>
	<u>39,256</u>	<u>35,421</u>
Furniture, plant and equipment - at cost	303,829	286,627
Less: Accumulated depreciation	<u>(202,615)</u>	<u>(152,753)</u>
	<u>101,214</u>	<u>133,874</u>
Motor vehicles - at cost	324,135	324,135
Less: Accumulated depreciation	<u>(281,515)</u>	<u>(255,992)</u>
	<u>42,620</u>	<u>68,143</u>
	<u>696,914</u>	<u>608,021</u>

Note 19. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Building improvement \$	Leasehold improvement \$	Furniture, plant & equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	145,000	220,000	5,583	35,421	133,874	68,143	608,021
Additions	-	-	-	8,075	17,203	-	25,278
Revaluation increments	80,000	65,000	-	-	-	-	145,000
Depreciation expense	-	-	(1,741)	(4,240)	(49,881)	(25,523)	(81,385)
Balance at 30 June 2023	<u>225,000</u>	<u>285,000</u>	<u>3,842</u>	<u>39,256</u>	<u>101,196</u>	<u>42,620</u>	<u>696,914</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 23 February 2022 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition. Valuations have been brought to account as at 30 June 2023.

Note 20. Non-current assets - right-of-use assets

	2023 \$	2022 \$
Land and buildings - right-of-use	719,257	400,395
Less: Accumulated depreciation	(168,049)	(82,738)
	<u>551,208</u>	<u>317,657</u>

Note 21. Current liabilities - trade and other payables

	2023 \$	2022 \$
Trade creditors	94,413	61,274
Payroll liabilities	130,215	69,536
Sundry creditors and accruals	(5,812)	10,115
Other payables	63	-
	<u>218,879</u>	<u>140,925</u>

Note 22. Current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability	<u>127,565</u>	<u>75,448</u>

Note 23. Non-current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability	<u>438,856</u>	<u>254,074</u>

Note 24. Current liabilities - employee benefits

	2023 \$	2022 \$
Annual leave	243,127	223,557
Long service leave	68,709	59,342
	<u>311,836</u>	<u>282,899</u>

Note 25. Non-current liabilities - employee benefits

	2023 \$	2022 \$
Long service leave	<u>18,566</u>	<u>19,589</u>

Note 26. Current liabilities - other

	2023 \$	2022 \$
Deferred revenue	<u>185,485</u>	<u>-</u>

Deferred revenue relates to government grants received during the year for which not all performance obligations have been satisfied. These performance obligations will be met within the next 12 months.

Note 27. Equity - retained surpluses

	2023 \$	2022 \$
Retained surpluses at the beginning of the financial year	2,430,122	2,264,943
Opening balance adjustment	(2,027)	-
Retained surpluses at the beginning of the financial year - restated	2,428,095	2,264,943
Surplus/(deficit) for the year	(861,247)	165,179
Retained surpluses at the end of the financial year	<u>1,566,848</u>	<u>2,430,122</u>

Note 28. Financial Instruments

RSPCA Tasmania Limited's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The Company does not have any derivative investments at 30 June 2023.

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	1,758,479	2,249,285
Receivables	2,911	8,812
Investments	8,414	12,920
	<u>1,769,804</u>	<u>2,271,017</u>

Note 28. Financial Instruments (continued)

	2023	2022
Financial liabilities		
Trade and other payables	218,879	140,925
Lease liabilities	553,236	329,522
Deferred revenue	185,485	-
	<u>957,600</u>	<u>470,447</u>

Financial risk management policies

The Board of RSPCA Tasmania Limited is responsible, among other issues, for monitoring and managing financial risk exposure of the Company. Discussion on monitoring and managing financial risk exposures are held monthly and minuted by the Board. The Board's overall risk management strategy seeks to ensure that the Company meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

Specific financial risk exposure and management

The main risks the Company is exposed to through its financial instruments are market risk, liquidity risk, credit risk and liquidity risk.

- Credit risk - the risk to RSPCA Tasmania if a customer or counter party fails to meet its contractual obligations as they fall due. The carrying amount of financial assets represents RSPCA Tasmania maximum exposure to credit risk in relation to these assets and liabilities.

- Liquidity risk - the risk RSPCA Tasmania will not be able to meet its financial obligations as and when they fall due. RSPCA Tasmania has sufficient cash balances to meet its present financial obligations relating to payables, which are all payable during the 2023 financial year.

- Market risk - the risk that the fair value of future cash flows will fluctuate because of changes in market prices. The primary risk relates to RSPCA Tasmania exposure to interest rate risk and equity price risk.

Note 29. Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities

	2023 \$	2022 \$
Surplus/(deficit) for the year	(861,247)	165,179
Adjustments for:		
Depreciation	156,957	131,406
(Profit) / loss on sale of fixed assets	(2,000)	10,901
Movement in investments	-	(4,044)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	5,901	6,752
Decrease/(increase) in inventories	22,065	(37,135)
Decrease/(increase) in other operating assets	13,267	(19,072)
Increase in trade and other payables	267,612	20,535
Increase in employee benefits	27,914	71,242
Net cash from/(used in) operating activities	<u>(369,531)</u>	<u>345,764</u>

Note 30. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2023 \$	2022 \$
Aggregate compensation	<u>261,512</u>	<u>248,964</u>

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit (TAS), the auditor of the company:

	2023 \$	2022 \$
<i>Audit services - BDO Audit (TAS) (2022: Ruddicks)</i> Audit of the financial statements	<u>12,500</u>	<u>10,825</u>
<i>Other services - BDO Audit (TAS) (2022: Ruddicks)</i> Accounting services	<u>1,500</u>	<u>4,912</u>
	<u>14,000</u>	<u>15,737</u>

Note 32. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 30.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 33. Economic dependency

The ongoing viability of RSPCA Tasmania Limited as a going concern is dependent upon the ongoing receipt of state Government funding.

Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

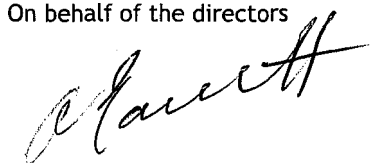
RSPCA Tasmania Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Tasmanian legislation the Collections for Charities Act 2001 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



4 November 2023

INDEPENDENT AUDITOR'S REPORT

To the members of RSPCA Tasmania Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RSPCA Tasmania Limited (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of RSPCA Tasmania Limited, 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 registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (TAS)

BDO Audit (TAS)



DAVID E PALMER
Partner

Hobart, 6 November 2023