



AUDITED STATUTORY FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2023**

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED**

ABN: 60 740 135 753

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30/06/2023 \$	Year ended 30/06/2022 \$
Revenue from operations	4	12,789,639	11,443,248
Legacies	4	3,790,383	3,376,261
Other revenue	4	3,461,857	572,301
Total revenue		20,041,879	15,391,810
Expenditure from ordinary activities:			
Inspectorate & rescue expenditure		1,732,660	1,654,310
Fundraising & marketing expenditure		1,607,218	1,458,816
Commercial expenditure		3,334,513	3,033,920
Animal operations expenditure		7,558,841	5,784,442
Administration expenditure		2,892,336	2,240,823
Total expenditure		17,125,568	14,172,311
Surplus / (deficit) for the year		2,916,311	1,219,499
Other comprehensive income that will not be reclassified subsequently to surplus/(deficit)			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income		328,078	(910,167)
Gain/(loss) on revaluation of property		-	3,478,338
Total comprehensive income attributable to members		3,244,389	3,787,670

The statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	As at 30/06/2023 \$	As at 30/06/2022 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	5	2,243,691	2,468,643
Other financial assets	6	10,483,591	152,656
Trade and other receivables	7	810,003	246,171
Other current assets	8	503,875	621,269
Inventories	9	191,902	339,784
Asset held for sale	10	-	10,000,000
Total current assets		14,233,062	13,828,523
<i>Non-current assets</i>			
Property, plant and equipment	11	9,016,951	2,473,879
Intangible assets	12	54,956	104,500
Right-of-use assets	13	4,690,087	3,879,422
Other financial assets	6	11,241,136	13,446,175
Total non-current assets		25,003,130	19,903,976
Total assets		39,236,192	33,732,499
Liabilities			
<i>Current liabilities</i>			
Trade and payables	14	2,299,527	1,019,065
Provisions for employee benefits	15	809,255	831,713
Lease Liabilities	16	1,052,500	545,995
Total current liabilities		4,161,282	2,396,773
<i>Non-current liabilities</i>			
Provisions for employee benefits	15	229,080	200,649
Lease Liabilities	16	4,081,875	3,615,511
Total non-current liabilities		4,310,955	3,816,160
Total liabilities		8,472,237	6,212,933
NET ASSETS		30,763,955	27,519,566
Members Funds			
<i>Capital and reserves</i>			
Reserves	17	764,355	6,746,504
Retained earnings	17	29,999,600	20,773,062
TOTAL EQUITY		30,763,955	27,519,566

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

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Properties Revaluation Reserve	Financial Assets Reserve	Retained Earnings	Total
		\$	\$	\$	\$
Balance at 1 July 2021		3,097,127	1,590,322	19,044,447	23,731,896
Surplus / (deficit) for the year		-	-	1,219,499	1,219,499
Other comprehensive income for the year		3,478,338	(910,167)	-	2,568,171
Transfer (from)/ to retained earnings		-	(509,116)	509,116	-
Total comprehensive income for the year		3,478,338	(1,419,283)	1,728,615	3,787,670
Balance at 30 June 2022		6,575,465	171,039	20,773,062	27,519,566
Surplus / (deficit) for the year		-	-	2,916,311	2,916,311
Other comprehensive income for the year		-	328,078	-	328,078
Transfer (from)/ to retained earnings		(6,575,465)	265,238	6,310,227	-
Total comprehensive income for the year		(6,575,465)	593,316	9,226,538	3,244,389
Balance at 30 June 2023	17	-	764,355	29,999,600	30,763,955

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

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30/06/2023	Year ended 30/06/2022
		\$	\$
Cash flows from operating activities			
Receipts from customers		10,928,552	9,657,847
Government and other grants received		2,113,838	2,518,026
Legacies received		3,790,383	3,243,040
Payments to supplier and employees		(11,015,318)	(13,527,475)
Net cash generated by/ (used in) operating activities		5,817,455	1,891,438
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(878,044)	(532,967)
Interest paid in relation to lease liabilities		(247,623)	(160,798)
Net cash (used in) financing activities		(1,125,667)	(693,765)
Cash flows from investing activities			
Interest and dividends received		1,230,313	1,123,415
Proceeds from/(investment in) term deposits		(10,330,935)	(340)
Payments for property, plant and equipment		(6,999,715)	(1,070,943)
Proceeds from sale of Property, Plant & Equipment (including non-current assets held for sale)		11,509,286	-
Net proceeds from sale of/ (payments for) financial assets		(325,689)	(599,338)
Payments for intangible assets		-	(20,322)
Net cash (used in) investing activities		(4,916,740)	(567,528)
Net increase/(decrease) in cash and cash equivalents		(224,952)	630,145
Cash and cash equivalents at the beginning of the year		2,468,643	1,838,498
Cash and cash equivalents at the end of the year	5	2,243,691	2,468,643

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

The Company had the following non cash financing and investing transactions throughout the 2023 year;

- Gift in kind contributions totalling \$488,196 which relate to operating supplies.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

1 General information and statement of compliance

The financial statements cover Royal Society for the Prevention of Cruelty to Animals (South Australia) Limited ('RSPCA SA' or the 'Company') as an individual entity for the year ended 30 June 2023. RSPCA SA is a not-for-profit organisation, domiciled in South Australia. RSPCA was incorporated under the *Associations Incorporation Act 1985 (SA)* and effective 9 June 2023, was registered as a public company limited by guarantee under the *Corporations Act 2001 (Cth)*. The Company is also a charity registered with the *Australian Charities and Not-for-profits Commission (ACNC)*. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The registered office and principal place of business is 16 Nelson Street, Stepney, SA 5069.

During the financial year, the principal activities of the Company is dedicated to improving the lives of all animals across South Australia.

These financial statements are general purpose financial statements that have been prepared in accordance with *Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board Members on August 2023.

2 Significant accounting policies

2.1 Revenue

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.

(i) Sale of goods

Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

(ii) Grants

Grant income is recognised in surplus or deficit when the Company satisfies the performance obligations stated within the funding agreements.

If there are sufficiently specific performance obligations attached to the grant, the grant will be recognised in the statement of financial position as a liability until those performance obligations are fulfilled and income will be recognised accordingly.

The Company's role in terms of enforcing the Animal Welfare Act are supported by grants received from the State government.

(iii) Donations and Bequests

Donations are recognised at the time the pledge is made.

Bequests are recognised when the legacy is received or receivable. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Company becomes legally entitled to the shares or property.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Significant accounting policies (continued)

2.1 Revenue (continued)

The Company receives, through the generosity of its donors, food and other goods for use by animals in its care. Gifts in kind have been recognised in the financial statements for such donated goods at their fair value.

(iv) Interest and dividend income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

(v) Volunteer services

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

2.2 Operating expenses

Operating expenses are recognised in surplus or deficit upon utilisation of the service or at the date of their origin.

2.3 Property, plant and equipment

(i) Land & Buildings

Land held for use in production or administration is stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in surplus or deficit, a revaluation increase is credited to surplus or deficit with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in surplus or deficit. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

(ii) Plant and other equipment

Plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- buildings: 25-50 years
- plant and equipment: 3-10 years
- motor vehicles: 4 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

2.4 Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 4 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Significant accounting policies (continued)

2.5 Impairment testing of property, plant and equipment

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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 current replacement cost of an asset.

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.

2.6 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 surplus or deficit.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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.

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ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Significant accounting policies (continued)

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in surplus or deficit.

2.7 Inventories

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of the Company's charitable activities. Inventories may be purchased or received by way of donation.

(i) **Goods for resale**

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Company where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

(ii) **Goods held for distribution**

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at costs. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

2.8 Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.9 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.

2.10 Income taxes

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

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Reserves

Properties revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Financial assets reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

2.13 Post-employment benefits and short-term employee benefits

Employee benefits comprise salaries and wages, annual and long service leave, training and development, contributions to superannuation plans and other on-costs such as workers compensation.

Provisions are made for the Company's liability for employee benefits arising from services rendered by employees as at the reporting date. Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Company to employee superannuation funds and are charged as an expense when incurred.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Significant accounting policies (continued)

2.14 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

2.15 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

2.16 Economic dependence

The Company is dependent upon the ongoing receipt of government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

2.17 Right-of-use asset

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 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.

Class of right-of-use asset	Lease term (including extension options)
Properties	1-15 years

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 surplus or deficit as incurred.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

2 Significant accounting policies (continued)

2.18 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 surplus or deficit if the carrying amount of the right-of-use asset is fully written down.

2.19 Non-current assets or disposal groups classified as held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

2.20 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

(ii) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

3 New or amended Accounting Standards and Interpretations adopted

3.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

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.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

	Year ended 30/06/2023	Year ended 30/06/2022
	\$	\$
Note 4: Revenue and Expenditure		
Revenue		
The Company's revenue may be analysed as follows for each major product and service category.		
Revenue from operations:		
Animal based income	2,575,361	2,431,788
Donations & sponsorship	4,016,699	2,762,596
Gifts in Kind	488,196	346,357
Sale of goods	3,420,168	3,131,780
Commercial Based Income	175,377	252,701
Government grants	1,529,000	1,217,000
Other grants	584,838	1,301,026
	<u>12,789,639</u>	<u>11,443,248</u>
Revenue from operations are recognised at a point in time.		
Other revenue		
Investment income	1,140,551	1,190,196
Gain/ (loss) on financial assets at fair value through surplus or deficit	472,377	(839,646)
Gain on sale of assets	1,626,446	62,264
Government grants	-	-
Other corporate income	222,483	159,487
	<u>3,461,857</u>	<u>572,301</u>
Revenue from legacies:		
Legacies/bequests	<u>3,790,383</u>	<u>3,376,261</u>
Total revenue	<u>20,041,879</u>	<u>15,391,810</u>
Surplus/(Deficit) for the year includes the following expenses:		
Employee benefits expense		
Salaries and wages	8,871,662	7,245,800
Post-employment benefits	875,751	743,025
Workcover levy	231,709	184,369
Employee benefit provisions	5,973	182,052
Total employee benefit expense	<u>9,985,095</u>	<u>8,355,246</u>
Depreciation, amortisation and impairment expense		
Depreciation of property, plant and equipment	385,701	419,269
Amortisation of intangible assets	48,964	55,525
Depreciation of right-of-use assets	1,046,704	604,756
Total depreciation, amortisation and impairment expense	<u>1,481,369</u>	<u>1,079,550</u>
Cost of Sales	<u>589,921</u>	<u>835,813</u>
Short term leases and variable lease payments	<u>48,751</u>	<u>66,160</u>
Interest expense on lease liabilities	<u>247,623</u>	<u>160,798</u>
Loss on disposal of assets	<u>67,647</u>	<u>-</u>

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

	As at 30/06/2023	As at 30/06/2022
	\$	\$
Note 5: Cash and cash equivalents		
Cash and cash equivalents consist the following:		
Cash on hand	6,346	4,188
Cash at bank	2,237,345	2,464,455
Total cash and cash equivalents	2,243,691	2,468,643
Note 6: Other financial assets		
Other financial assets consist of the following:		
<u>Term deposits carried at amortised cost</u>		
Current assets		
Term deposits held to maturity	7,153,114	152,656
Total term deposits	7,153,114	152,656
<u>Financial assets at fair value through other comprehensive income</u>		
Current assets		
Right to future income	3,330,477	-
Non current assets		
Listed shares	4,602,842	4,149,788
Right to future income	-	3,268,570
	4,602,842	7,418,358
<u>Financial assets at fair value through profit or loss</u>		
Non current assets		
Managed investments	6,638,294	6,027,817
Total financial assets at fair value	14,571,613	13,446,175

Financial assets at fair value include listed shares and managed investments held for the year ended 30 June 2023, and shares received during the financial year as legacies from deceased estates. The shares held during the entire year experienced an increase in value during the period from 1 July 2022 to 30 June 2023, the value of which is reflected in other comprehensive income for listed shares and in surplus or deficit for managed investments in the financial statements.

The right to future income represents listed shares held in trust for a period of 25 years, and was recognised in September 2015. The ownership of these shares will transfer to RSPCA in September 2040. The proceeds from this are to be used for the general purpose of the organisation but not for marketing or administration.

In June 2023, a Vest Deed was signed between the Company and the Trustee in relation to the right to future income, according to which, the Company has requested the Trustee to vest the Trust and realise its investment in the Trust by no later than 31 December 2023. As a result, this has been classified as current assets in the statement of financial position.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

	As at 30/06/2023	As at 30/06/2022
	\$	\$
Note 7: Trade and other receivables		
Current		
Trade receivables		
Trade receivables	607,980	287,982
Provision for impairment	(45,587)	(41,811)
Other receivables		
GST & other receivable	247,610	-
Total trade and other receivables	810,003	246,171

All of the Company's trade and other receivables have been reviewed for indicators of impairment.

Note 8: Other assets

Other assets consist of the following:

Current		
Other assets		
Prepayments	144,020	171,652
Accrued Income	261,721	243,726
Imputation Credits Refundable	98,134	205,891
Total other assets	503,875	621,269

Note 9: Inventories

At cost:		
Inventory	191,902	339,784
Total inventory	191,902	339,784

Note 10: Asset held for sale

Current		
Asset held for sale	-	10,000,000
Total asset held for sale	-	10,000,000

During the year, the asset held for sale being Stepney and Lonsdale offices was disposed of and leased back for a period of 18 months with 2 options of renewal of 3 month each. The profit from sale and leaseback transactions was included in the gain on sale of asset as disclosed in Note 4 of this financial report.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED
ABN: 60 740 135 753

Notes to the Financial Statements
For the Year Ended 30 June 2023

Note 11: Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

	Land At revaluation \$	Buildings At revaluation \$	Plant and equipment At cost \$	Motor vehicles At cost \$	Capital Work in Progress At cost \$	Total \$
Gross carrying amount						
Balance as at 1 July 2022	90,000	228,278	2,514,888	1,093,652	1,107,464	5,034,282
Additions	-	-	317,951	168,282	6,513,482	6,999,715
Disposals	-	-	(126,982)	(11,800)	-	(138,782)
Balance as at 30 June 2023	90,000	228,278	2,705,857	1,250,134	7,620,946	11,895,215
Depreciation and impairment						
Balance as at 1 July 2022	-	61,888	1,834,097	664,418	-	2,560,403
Disposals	-	(67,840)	-	-	-	(67,840)
Depreciation	-	23,421	224,422	137,858	-	385,701
Balance as at 30 June 2023	-	17,469	2,058,519	802,276	-	2,878,264
Carrying amount as at 30 June 2023	90,000	210,809	647,338	447,858	7,620,946	9,016,951

Land & buildings held by the Company at the reporting date was independently valued at 30 June 2021 by McGees Property. The valuation was based on fair value being the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction. Fair values were determined directly by reference to observable prices in an active market using recent sales data for similar properties on arm's length terms. The Board Members have determined that the carrying amount of land and buildings does not differ materially from the fair value at the end of the reporting period ended 30 June 2023.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

Notes to the Financial Statements For the Year Ended 30 June 2023

Note 12: Intangible assets

Details of the Company's intangible assets and their carrying amount are as follows:

	IT Software \$	Total \$
Gross carrying amount		
Balance as at 1 July 2022	501,540	501,540
Additions	-	-
Disposals	(580)	(580)
Balance as at 30 June 2023	500,960	500,960
Depreciation and impairment		
Balance as at 1 July 2022	397,040	397,040
Amortisation	48,964	48,964
Balance as at 30 June 2023	446,004	446,004
Carrying amount as at 30 June 2023	54,956	54,956

Note 13: Right-of-use assets

	Properties	Total
At 1 July 2022	3,879,422	3,879,422
Addition	1,711,383	1,711,383
Terminations	(93,416)	(93,416)
Reassessment and modifications	239,402	239,402
Depreciation expense	(1,046,704)	(1,046,704)
At 30 June 2023	4,690,087	4,690,087

Right of use assets were acquired by means of leases on adoption of AASB 16 *Leases* and are non-cash transactions.

The Company leases properties for its retail shops under agreements that span for periods from 1 year to 8 years, some with extension options. If extension options are exercisable only by the Company, the Company assesses whether it is reasonably certain to exercise the options. For the year end 30 June 2023, the Company has assessed that it is reasonably certain to exercise all extension options available except for one retail space.

The entity has a lease in relation to a portion of Glenthorne National Park, on which the Company is developing a facility comprising a native animal and wildlife hospital, an animal care campus and accommodation facilities for dogs and cats. The facility is currently under construction as disclosed in the Note 11 Capital Work In Progress. The lease commences on the completion of the development and has an initial term of 40 years, with two 15 year options to renew. Payments due under the lease are an annual rental of \$1 and Environment Payment of \$5,000 per annum, indexed by CPI.

As at 30/06/2023	As at 30/06/2022
\$	\$

Note 14: Trade and other payables

Trade and other payables recognised consist of the following:

Trade payables	332,381	339,725
Other payables and Accrued expenses	1,882,173	435,833
Unearned income	84,973	243,507
Total trade and other payables	2,299,527	1,019,065

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

	As at 30/06/2023 \$	As at 30/06/2022 \$
Note 15: Provision for employee benefits		
The liabilities recognised for employee benefits consist of the following amounts:		
Current		
Annual leave	485,658	465,956
Long service leave	323,597	365,757
	<u>809,255</u>	<u>831,713</u>
Non-current		
Long service leave	229,080	200,649
Total employee benefits	<u>1,038,335</u>	<u>1,032,362</u>
Note 16: Lease Liabilities		
Current		
Lease Liabilities - right-of-use properties	1,052,500	545,995
	<u>1,052,500</u>	<u>545,995</u>
Non-current		
Lease Liabilities - right-of-use properties	4,081,875	3,615,511
	<u>4,081,875</u>	<u>3,615,511</u>
Total cash outflow on leases (both principal and interest)	1,344,408	660,365
	Original non-cancellable lease term	Renewal options available
Lease categories		
Properties	1-8 years	6 months - 7 years
Future lease payments in relation to lease liabilities as at period end are as follows:		
Within one year	1,281,090	753,440
Later than one year but not later than five years	3,178,041	2,536,683
Later than five years	1,639,082	1,419,732
	<u>6,098,213</u>	<u>4,709,855</u>

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

	As at 30/06/2023	As at 30/06/2022
	\$	\$
Note 17: Reserves		
The details of reserves are as follows:		
Properties Revaluation Reserve	-	6,575,465
Financial Assets Reserve	764,355	171,039
Retained Earnings	29,999,600	20,773,062
	30,763,955	27,519,566

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to surplus or deficit.

The financial assets reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income. Items of other comprehensive income included in the financial assets reserve will not be reclassified subsequently to surplus or deficit.

Note 18: Related Party Transactions

18a: Transactions with related parties

The Company's related parties include its Key Management Personnel as described below. Unless otherwise stated, no transactions with related parties incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Members of the Board who held office during the reporting period are:

Mr Rob DiMonte
Mr Andrew Carter (resigned 30 November 2022)
Mr Marcus Gehrig (resigned 22 December 2022)*
Mr Paul Hutchinson
Ms Leanna Read
Ms Sheenagh Edwards
Mr Stephen Voss
Professor Chris Daniels
Ms Kate Gray
Ms Susan Hazel

* Mr Gehrig commenced the position of Chief Executive Officer with the Company on 6 February 2023.

During the year the Company paid a premium in respect of a contract insuring the Board members and the executive officer against a liability incurred as such as a Board member or executive officer. The Company's Liability Insurance Policy is to cover the loss for which a Board member or executive officer is not indemnified by the Company. The Insurance Policy also covers the Company against loss if it grants an indemnity to the Board and the executive officer.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company against a liability incurred.

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

During the year, Thomson Geer Lawyers, a company that Mr Stephen Voss, a Board Member, is a partner of, provided services to the Company for \$57,872 (GST exclusive) consideration. This transaction is on normal commercial term.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

Notes to the Financial Statements For the Year Ended 30 June 2023

	Year ended 30/06/2023	Year ended 30/06/2022
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Note 18: Related Party Transactions

18b: Transactions with key management personnel

Key management of the Company are the members of the Board and the Executive Management team of RSPCA SA. During the reporting period, there was no remuneration paid to Board members, however the following remuneration has been paid to the Executive Management team:

Total remuneration (\$)	1,430,157	1,120,698
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Note 19: Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2022 or 2023.

Note 20: Remuneration of auditors

During the year the following fees were paid or payable for services provided by BDO Audit Pty Ltd (BDO) as the auditor of the Company.

Audit of the financial statements	18,000	16,500
Other services		
Fees in relation to the compilation of the financial statements	1,500	1,500
Total	19,500	18,000

Note 21: Capital commitments

As at 30 June 2023, the Company have a capital commitment of \$20,848,652 in relation to the new Animal Care Campus construction (2022: nil)

Note 22: Post-reporting date events

Investments held as listed shares have been received as legacies from deceased estates. There has been fluctuation in the market value of these investments between 30 June 2023 and the date when the financial report is authorised for issuance. This fluctuation does not relate to the condition of the investments at the reporting date, but reflects a general movement in the market, therefore the amounts recognised in these financial statements for the investments have not been adjusted.

No other 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.

ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

ABN: 60 740 135 753

Board Members' Declaration

In the opinion of the Board of the Royal Society for the Prevention of Cruelty to Animals (South Australia) Limited (the Company):

(a) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with *Australia Accounting Standards - Simplified Disclosures* and give a true and fair view of the financial position and performance of the Company; and

(b) as at 30 June 2023, 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 the directors made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.



Signature:

Name: ROBERT DIMONTE

Position: PRESIDENT



Signature:

Name: STEPHEN VOSS

Position: VICE - PRESIDENT

Dated 23 / 8 / 23

DECLARATION OF INDEPENDENCE
BY LINH DAO
TO THE DIRECTORS OF ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO
ANIMALS (SOUTH AUSTRALIA) LIMITED

As lead auditor of Royal Society for the Prevention of Cruelty to Animals (South Australia) 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.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 23 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (SOUTH AUSTRALIA) LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Royal Society for the Prevention of Cruelty to Animals (South Australia) Limited (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of surplus or deficit 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 Royal Society for the Prevention of Cruelty to Animals (South Australia) 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.

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.

Those charged with governance 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.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

BDO Audit Pty Ltd

A blue ink signature of Linh Dao, written in a cursive, handwritten style.

Linh Dao
Director

Adelaide, 24 August 2023