RSPCA Western Australia

RSPCA WA 2019/20 Annual Report

FINANCIAL STATEMENTS APPENDIX

The Royal Society For Prevention of Cruelty to Animals, Western Australia.

Special Purpose Financial Statements for the financial year ended 30 June 2020.

ABN 48 626 609 587

Contents

GENERAL INFORMATION

The financial statements cover The Royal Society For Prevention of Cruelty to Animals, Western Australia as an individual entity. The financial statements are presented in Australian dollars, which is RSPCA WA's functional and presentation currency.

The financial statements were authorised for issue on 24 September 2020.

Directors' Report

The Directors of The Royal Society for the Prevention of Cruelty to Animals, Western Australia ("RSPCA WA") present the following annual report of the company for the financial year ended 30 June 2020.

INFORMATION ABOUT THE DIRECTORS

The names and particulars of the Directors of the company during or since the end of the financial year are:

Lynne Bradshaw	30+ years in business development in healthcare, AICD	Chairperson
Darren Smith	B.E. Mech, Exec Program in Competition and Strategy Harvard School, AICD	Deputy Chairperson (Appointed Deputy Chairperson from 25 October 2019)
Ian Cowie	M.S. (Econs), B.A. (Hons)	Non-executive Director
Michelle Mackenzie	M.A. (Public Policy), B Mus/B.A. (Hons), AdvDip Management, GAICD	Non-executive Director
Giselle di San Marzano	BJuris/LLB, Barrister & Solicitor	Non-executive Director
Pamela Hass	LLM, LLB (Hons). B.A. (Journalism)	Non-executive Director (Ceased 1 August 2019)
Michelle De Ronchi	GradCert Infection Control and Palliative Care, CertIV Workplace Assessment and Training, Dipl Nursing and Midwifery, Dipl Frontline Management, AICD	Non-executive Director
Alice Manners	M.A (Psychology), AICD	Non-executive Director
Heather MacFarquhar	B.A (Hons), PostGrad Dipl Social Work, Social Work Certificate, and Exec Management Cert	Non-executive Director (Ceased 31 October 2019)
Jamie Hamilton	BCom (Accounting and Finance), GradDipAppFin, CA	Non-executive Director
Gregory Paust	AICD, MBA, B. Agr. Sc	Non-executive Director (Appointed by the Board 28 May 2020)

The above named Directors held office during the whole of the financial year and since the end of the financial year unless otherwise stated.

The name and qualifications of the Secretary of the company during or since the end of the financial year are:

Melanie Power	BComm, AGIA, ACIS, CA, ATI	26 April 2019 – current

Directors' Meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director.

	Board of Directors		Audit & Risk Committee		Remuneration & Nominations Committee		
Directors	**Eligible to attend***	**Meetings attended**	**Eligible to attend**	**Meetings attended**	**Eligible to attend**	**Meetings attended**	
Lynne Bradshaw	10	9	N/A	N/A	8	8	
Ian Cowie	10	10	N/A	N/A	8	7	
Michelle Mackenzie	10	7	N/A	N/A	N/A	N/A	
Giselle di San Marzano	10	7	N/A	N/A	N/A	N/A	
Pamela Hass*	1	1	N/A	N/A	N/A	N/A	*Resigned 1 August 2019
Michelle De Ronchi	10	8	6	4	8	8	
Darren Smith	10	10	6	6	N/A	N/A	
Alice Manners	10	9	N/A	N/A	N/A	N/A	
Heather MacFarquhar*	4	3	N/A	N/A	N/A	N/A	*Resigned 31 October 2019
Jamie Hamilton	10	8	4	4	N/A	N/A	
Gregory Paust	1	1	N/A	N/A	N/A	N/A	

**The April meeting was cancelled due to COVID-19 situation hence there were only 10 Board meetings for the FY20.*

PRINCIPAL ACTIVITIES, OBJECTIVES AND PERFORMANCE

The long-term objective of the organisation is to prevent or suppress cruelty to animals, and in doing so, do all such lawful acts as the company may consider conducive or incidental to the attainment of these purposes, and establish and operate the Public Fund.

Activities may include the application of resources to ensure the enforcement of laws protecting animals from cruelty and promoting animal welfare; take whatever steps are necessary to educate the community with regard to the humane treatment of animals; sustain an informed public opinion regarding animal welfare; disperse information on the care, protection and treatment of animals; procure the passage of such amending or new legislation and policy as is necessary for the protection of animals; conduct, manage, operate or encourage clinics, hospitals, homes or shelters for the care, treatment, maintenance and protection of animals, and develop and maintain productive relationships with key stakeholders for the benefit of animal welfare.

DETAILS OF MEMBERSHIP

The RSPCA WA is a public company limited by guarantee operating in Western Australia. The guarantee is $10 per member and at 30 June 2020 there were 216 members (233 members in July 2019).

REVIEW OF OPERATIONS

RSPCA WA recorded a net surplus of $3,081,150 for the 2020 financial year (2019 deficit $1,843,678). Total income amounted to $11,559,417 (2019: $8,872,218). Bequest income for 2020 totalled $3,635,411 (2019: $1,967,966). Grants income grew from $786,569 in 2019 to $2,347,451 in 2020 (this includes all COVID-19 related Government grants and subsidies).

During the 2020 financial year necessary refurbishments of two kennel blocks commenced, resulting in reduction of dog capacity by 50%. This affected shelter adoptions sales income which declined from $346,545 in the 2019 financial year to $335,916 in the 2020 financial year.

Total expenditure for the 2020 financial year was $8,478,267, down from $10,715,896 the previous year. Total incoming animals was in line with the previous year, with 63% coming from Inspectorate activities. Animals taken in by the Inspectorate tend to stay for longer periods of time due to requiring higher levels of care and support.

RSPCA WA received grant income of $2,347,451 in 2020, with $701,900 being directly related to Government COVID-19 related subsidies (such as Job Keeper Subsidy and an ATO cash boost). A further $54,000 was granted by Lotterywest towards income lost after the cancellation of events due to COVID-19. Lotterywest Grant funding of $700,000 was recorded in June 2020, for the provision of covering essential ongoing costs to keep core services functioning during COVID-19. Although this funding was received in June, it covers costs that will be incurred in relation to providing ongoing core services into the 2021 financial year.

CHANGES IN STATE OF AFFAIRS

No changes in the company's state of affairs.

SUBSEQUENT EVENTS

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a major financial impact on the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

ENVIRONMENTAL REGULATION

The organisation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of State or Territory.

INDEMNIFYING OFFICER

The organisation paid a premium in respect of a contract insuring the directors (as named above), the company secretary and all executive officers against liability incurred as such a director, secretary or executive officer to the extent permitted by the Law.

The organisation has not otherwise during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the organisation or of any related body corporate against liability incurred as such as officer or auditor.

PROCEEDINGS ON BEHALF OF 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 organisation is party for the purpose of taking responsibility on behalf of the organisation for all or any part of those proceedings. The organisation was not a party to any such proceedings during the financial year.

The Directors report is signed in accordance with the resolution of the Directors.

On behalf of the Directors

Lynne Bradshaw
Chairperson / Director
Perth, 24 September 2020

Darren Smith
Deputy Chairperson / Director
Perth, 24 September 2020

Directors' Declaration

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Corporations Act 2001 (Cth)*, the *Charitable Collections Act 1946 (WA)* and the *Charitable Collections Regulations 1947 (WA)*. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of RSPCA WA.

The Director(s) of the company declare that in the Directors' opinion:

a) The financial report and notes:

   i. comply with Accounting Standards and other mandatory professional reporting requirements; and

   ii. give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

b) In accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:

   i. there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and

   ii. the financial statements and notes satisfy the requirements of the A*ustralian Charities and Not-for-profits Commission Act 2012*.

Lynne Bradshaw
Chairperson / Director
Responsible Persons' declaration

Darren Smith
Deputy Chairperson / Director

Perth, 24 September 2020

The Royal Society for Prevention of Cruelty to Animals, Western Australia Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2020

	Note	2020	2019
		$	$
Revenue	2	11,559,417	8,872,218
		11,559,417	**8,872,218**
EXPENSES:			
Employee expense		(5,411,523)	(6,171,811)
Depreciation and amortisation expense	9–10	(562,056)	(354,708)
Operating lease expense		(92,741)	(382,418)
Other operating costs	3	(2,366,043)	(3,750,764)
Finance and investment costs		(21,265)	(45,057)
Interest paid – leases		(25,137)	–
Profit/(Loss) on sale of assets		498	(11,138)
Net Surplus/(Deficit)		**3,081,150**	**(1,843,678)**
Other Comprehensive Income that may be reclassified subsequently to profit or loss			
Items that cannot be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments through other comprehensive income	17	(222,973)	(101,408)
Total comprehensive income/(loss) for the year		**2,858,177**	**(1,945,086)**

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

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Statement of Financial Position as at 30 June 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	4	4,031,744	1,205,027
Trade and other receivables	5	670,707	372,146
Contract assets	6	5,000	–
Inventory	7	47,577	54,923
Financial assets	8	212,915	212,617
Total current assets		4,967,943	1,844,713
NON-CURRENT ASSETS			
Financial assets	8	3,139,638	3,207,168
Property plant and equipment	9	3,077,370	3,243,686
Right-of-use assets	10	308,450	50,157
Intangible assets	11	20,367	9,128
Total non-current assets		6,545,824	6,510,139
TOTAL ASSETS		**11,513,767**	**8,354,852**
CURRENT LIABILITIES			
Trade and other payables	12	646,153	775,386
Lease liability	13	244,657	–
Contract liability	14	207,027	37,801
Employee provisions	15	272,501	334,421
Total current liabilities		1,370,339	1,147,608
NON-CURRENT LIABILITIES			
Employee provisions	15	66,293	62,678
Lease liability	13	74,392	–
Non-current liabilities		140,685	62,678
TOTAL LIABILITIES		**1,511,024**	**1,210,286**
NET ASSETS		**10,002,743**	**7,144,566**
EQUITY			
Retained surplus	16	9,822,337	6,741,187
Financial assets reserve	16	180,406	403,379
TOTAL EQUITY		**10,002,743**	**7,144,566**

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

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Statement of Changes in Equity for the financial year ended 30 June 2020

	Retained Surpluses $	Financial Assets Reserve $	Total Equity $
Balance at 1 July 2018	8,584,868	504,787	9,089,655
Deficit for the year	(1,843,681)	–	(1,843,681)
Financial assets revaluation	–	(101,408)	(101,408)
Total comprehensive loss	(1,843,681)	(101,408)	(1,945,089)
Balance at 30 June 2019	**6,741,187**	**403,379**	**7,144,566**
Balance at 1 July 2019	6,741,187	403,379	7,144,566
Surplus for the year	3,081,150	–	3,081,150
Financial assets revaluation	–	(222,973)	(222,973)
Total comprehensive income	3,081,150	(222,973)	2,858,177
Balance at 30 June 2020	**9,822,337**	**180,406**	**10,002,743**

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

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Statement of Cash Flows for the financial year ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors and other services provided		5,201,101	5,915,090
Legacies and bequest (including trust interest)		3,635,411	1,967,966
Grant receipts		2,347,451	786,569
Payment to suppliers and employees		(7,897,804)	(10,092,121)
Franking credits received		45,424	112,055
Interest paid		(25,137)	(45,057)
Interest received		71,893	123,558
Net cash generated by/(used in) operating activities	**22**	**3,378,338**	**(1,231,940)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(167,755)	(503,835)
Proceeds from disposal of assets		2,727	–
Proceeds from the sale of financial assets		2,027,918	1,522,078
Purchase of financial assets		(2,183,659)	(96,312)
Net cash (used in)/generated by investing activities		**(320,769)**	**921,931**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease repayments		(230,853)	–
Net cash used in financing activities		**(230,853)**	**–**
Net increase/(decrease) in cash and cash equivalents		2,826,717	(310,009)
Cash and cash equivalents at the beginning of the year		1,205,027	1,515,036
Cash and cash equivalents at the end of the year	**4**	**4,031,744**	**1,205,027**

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.

In the Directors' opinion, the entity is not a reporting entity because there are no users dependent on general purpose financial statements. The financial statements are special purpose financial statements that have been prepared for the purpose of complying with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Collections Act 1946 (WA)* and the *Charitable Collections Regulations 1947 (WA)* that apply for the reporting period and the *Corporations Act 2001*. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of RSPCA WA.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

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 1(u).

New or amended Accounting Standards and Interpretations adopted

The entity 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.

AASB 15 Revenue from Contracts with Customers

The entity has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The entity has adopted AASB 1058 Income of Not-for-Profit Entities from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

Note 1: Significant Accounting Policies (continued)

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019. In addition to the changes in accounting policies, the presentation of certain items have changed to align with the requirements of AASB 15 and AASB 1058:
– Contract liabilities have been seperately disclosed and relate to grants received for the acquisition of non-financial assets for which funds have not been fully spent as at reporting date. Previously these amounts were presented as revenue received in advance within trade and other payables.

The below table shows the presentation changes on adoption:

30 June 2019	*New*	*Previous*	*Difference*
Contract Liabilities	37,801	0	37,801
Revenue received in advance	0	37,801	–37,801
Net Assets	**37,801**	**37,801**	**0**

AASB 16 Leases

The entity has adopted AASB 16 Leases from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The entity has recognised right of use assets and lease liabilities of $549,902 at 1 July 2019 for leases previously classified as operating leases:

When adopting AASB 16 from 1 July 2019, the entity has applied the following practical expedients:

* applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
* accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
* excluding any initial direct costs from the measurement of right-of-use assets;
* using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
* not apply AASB 16 to contracts that were not previously identified as containing a lease.

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Notes to the Financial Statements for the financial year ended 30 June 2020

Note 1: Significant Accounting Policies (continued)

	1 JUL 19
	$
Operating lease commitments as at 1 July 2019	611,706
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5.417%	(61,804)
Short-term leases not recognised as a right-of-use asset	–
Low-value assets leases not recognised as a right-of-use asset	–
Lease liability recognised as at 1 July 2019:	549,902
Of which are:	
Lease liabilities – current	421,682
Lease liabilities – non-current	128,220
	549,902
Reduction in opening retained profits as at 1 July 2019	nil

(a) 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.

(b) Inventories

Inventories for sale are measured at the lower of cost and net realisable value. Inventories not for resale or use with no recharge are valued at fair value. Donated inventories which are not able to be valued are carried at nil value in the Statement of Financial Position.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items of plant and equipment are depreciated over their estimated useful lives to their estimated residual value on a diminishing value or straight line basis so as to write off their value progressively over their estimated useful lives commencing from the time the asset is ready for use.

The following depreciation rates are used:

Buildings	15 to 40 yrs	straight line based on the effective life of the asset
Motor vehicles	4 to 8 yrs	diminutive based on the effective life of the asset
Software, Plant and equipment	1 to 8 yrs	diminutive and straight line based on the effective life of the asset
Infrastructure & outbuildings	5 to 30 yrs	straight line based on the effective life of the asset
Intangible assets	1 to 3 yrs	diminutive based on the effective life of the asset

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. 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 on disposals are determined by comparing proceeds to the carrying amount of the asset. These are included in the statement of profit or loss and other comprehensive income.

Note 1: Significant Accounting Policies (continued)

(d) 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 entity 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 entity 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.

(e) 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 entity'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.

(f) Going concern

The financial statements have been prepared on the ongoing basis, which assumes the continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors believe that the going concern basis for preparation is appropriate.

In reaching this conclusion, the Directors have contemplated the following mitigating factors to address the impact from COVID-19:

- Our expectation is that the amount of donations, bequests and grant funding received will be similar to prior years
- We have the ability to scale back operations and cash outflows if funding is not available
- We expect we will be able to hold our major fundraising events as planned and
- We expect to continue to receive Jobkeeper payments at least until the end of September 2020.

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

From 1 July 2019, the Company assessed expected credit losses (ECLs) associated on a forward-looking basis. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Note 1: Significant Accounting Policies (continued)

(h) Investments and other financial assets

AASB 9 Financial Instruments replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Certain investments were reclassified from financial assets available-for-sale to financial assets at fair value through other comprehensive income (FVOCI). They do not meet the AASB 9 Criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

Classification and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's financial assets at amortised cost includes trade receivables, and financial assets at fair value through other comprehensive income that include equity instruments under non-current financial assets.

Equity Instruments

The Company elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. In this event, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss as other income when the Group's right to receive payments is established.

(i) Financial liabilities

Financial liabilities are derecognised where they relate to obligations either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party at fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of profit or loss and other comprehensive income.

(j) Impairment of Assets

At each reporting date, the Company reviews the carrying value of its definite useful life tangible and intangible assets to determine if whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the statement of profit or loss and other comprehensive income. Intangible assets that have an indefinite useful life are assessed for impairment annually as required by the standard. The assessment process is the same as definite useful life assets where an indication of impairment exists.

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.

(k) Employee Benefits

Short term Employee Benefits

Short term employee benefits are employee benefits (other than termination benefits) which fall due wholly within 12 months after the end of period in which those services were rendered. They comprise wages, salaries and short-term compensation absences payable within 12 months and non mandatory benefits such as salary continuance and permanent and temporary insurance benefits.

Other long term employee benefits

Other long term employee benefits include long service leave payable 12 months or more after the end of the period in which employee services are rendered. Recognition of long service leave commences when the employee has reached 5 years of service and under legislation can be paid out after 7 years of service.

Note 1: Significant Accounting Policies (continued)

(l) Cash and cash equivalents

Cash and cash equivalents which include cash on hand, cash in banks and other short term highly liquid investments.

(m) Revenue Recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: 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.

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.
Events, fundraising and raffles are recognised when received or receivable.

Donations and bequests

Donations are recognised at the time of receipt. Material donations of good in kind are recognised as income at the fair value of the underlying asset received.

Grants

Recognition of grant income is dependent on the specific terms under the grant agreement:

i. The grant contract is enforceable and contains sufficiently specific performance obligations (Grant income under AASB 15):
   – Grant revenue is recognised in profit or loss when the entity satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the entity is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.
ii. The grant is a transfer to enable the entity to acquire or construct a non-financial asset that the entity will control after acquisition or construction (Capital grant):
   – Grant income is deferred and recognised over the period of construction.
iii. All other grants (grant income under AASB 1058):

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The entity considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

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.

Volunteer services

The entity 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.

Note 1: Significant Accounting Policies (continued)

(n) Contract assets

Contract assets are recognised when the entity has transferred goods or services to the customer but where the entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

(o) Contract liabilities

Contract liabilities represent the entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the entity has transferred the goods or services to the customer.

(p) GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivable and payables in the Statement of Financial Position are shown inclusive of GST.

(q) Comparative figures

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

(r) Trade and other payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) 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 interest. 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.

(t) 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 current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

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

(u) Critical accounting estimates and judgements

COVID-19 disclosure

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 Company evaluates estimates and judgements incorporated into the Financial Statement based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Note 1: Significant Accounting Policies (continued)

COVID-19 disclosure (continued)

Coronavirus (COVID-19) pandemic

Measures to curb the spread of the COVID-19 virus, which was declared a global health pandemic in March 2020, has had widespread impacts on global economies, and many Australian businesses.

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. In particular, COVID-19 has impacted RSPCA in the following ways:

- A reduction in revenue from fundraising activities as events that had to be cancelled or postponed
- A reduction in revenues from the sale of goods due to store closures
- A reduction in services revenue due to the suspension of dog training services
- Some staff and volunteers temporarily stood down.

The financial impact of these effects has been mitigated by the receipt of government stimulus arrangements. The details of all the arrangements that might be available to us and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. We are continuing to assess the implications for our business when these arrangements are no longer available.

Please refer to specific details of the impacts on estimates and judgements as a result of COVID-19 in:
– Note 1(f) going concern

Long service leave provision

As discussed in note 1(k), the liability for long service leave is 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.

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 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 useful lives, or technical obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2: Revenue	2020	2019
	$	$
Revenue from contracts with customers		
Events	214,943	400,565
Fundraising	1,556,194	1,715,921
Raffles	284,826	306,466
	2,055,963	2,422,952
Other revenue		
Sponsorship	176,213	128,313
Donations	1,538,658	1,264,381
Legacies and bequests	3,635,411	1,967,966
Services – dog training	470,391	488,898
Services – inspectorate	17,877	56,496
Services – shelter	335,916	346,545
Goods Sold – shelter	80,327	101,032
Goods Sold – stores	734,181	1,026,218
Goods Sold – auxiliaries	15,249	24,043
Grants – government	872,000	500,000
Grants – other	773,551	286,569
COVID-19 related grants	701,900	–
Dividends	74,296	131,945
Investment income	71,893	124,086
Membership subscriptions	5,591	2,774
	9,503,454	6,449,266
Total revenue	**11,559,417**	**8,872,218**

COVID-19 related grants includes funds received for Job Keeper subsidies and ATO cash boost.
Grants – other includes Lotterywest COVID-19 relief funds to assist with ongoing operations and cancelled events.

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Notes to the Financial Statements for the financial year ended 30 June 2020

Note 3: Other operating costs	2020	2019
	$	$
AGM & board expenses	4,007	18,716
Animal welfare direct costs	591,764	727,348
Dog training expenses	234,819	235,524
Membership costs	–	126
Fundraising costs	384,917	1,279,073
Inventory purchased – shelter	62,108	73,296
Inventory purchased – stores	1,043	1,996
Retail expenses	59,838	78,838
Administrative costs	702,769	971,230
Motor vehicle expense/lease	80,579	118,130
Subscription to the National Body	244,199	246,487
Total other costs	**2,366,043**	**3,750,764**

Auditor remuneration	**2020**	**2019**
	$	$
During the year the following fees were paid or payable for services provided by the auditor for auditing the financial statements	24,500	21,149
Total	**24,500**	**21,149**

Note 4: Cash and cash equivalents	2020	2019
	$	$
Cash at bank	4,019,598	1,193,079
Cash on hand	12,146	11,948
Total	**4,031,744**	**1,205,027**

Note 5: Trade and other receivables	2020	2019
	$	$
TRADE RECEIVABLES		
Trade receivables	429,072	141,196
ECL provision	0	0
Total trade receivables	**429,072**	**141,196**
OTHER RECEIVABLES		
Prepayments	213,126	184,560
Franking credits receivables	28,509	46,390
Total other receivables	**241,635**	**230,950**
Total trade and other receivables	**670,707**	**372,146**

Note 6: Contract Assets	2020	2019
	$	$
CONTRACT ASSETS		
Contract assets	5,000	–
Total	**5,000**	**–**

Note 7: Inventories	2020	2019
	$	$
Goods for resale – at cost	7,846	10,674
Goods not for resale – net realisable value	39,731	44,249
Total	**47,577**	**54,923**

Note 8: Financial assets	2020	2019
	$	$
CURRENT		
Financial assets – current	212,915	212,617
Total	**212,915**	**212,617**
NON-CURRENT		
Financial assets – non-current	3,139,638	3,207,168
Total	**3,139,638**	**3,207,168**

Note 9: Property, plant and equipment	2020	2019
	$	$
Land and buildings at cost	3,956,584	3,904,123
Less: Accumulated depreciation	(1,935,604)	(1,804,077)
	2,020,980	**2,100,046**
Software, plant and equipment	1,401,624	1,332,763
Less: Accumulated depreciation	(1,177,727)	(1,109,853)
	223,897	**222,910**
Infrastructure & Outbuildings	1,144,621	1,111,372
Less: Accumulated depreciation	(543,481)	(469,437)
	601,140	**641,935**
Motor vehicles	826,999	850,877
Less: Accumulated depreciation	(595,646)	(572,083)
	231,353	**278,795**
Total property, plant and equipment	**3,077,370**	**3,243,686**

Movements in Carrying Amounts	Land and Buildings $	Motor Vehicles $	Software, Plant and Equipment $	Infrastructure & Outbuildings $	Property, Plant and Equipment Total $
Opening balance at 1 July 2018	2,233,364	119,582	203,510	597,104	3,153,561
Additions for the year	9,557	213,276	115,753	118,732	457,318
Disposals of assets		(14,712)	(66)		(14,778)
Depreciation/amortisation expense	(142,875)	(39,350)	(96,287)	(73,900)	(352,412)
Closing balance at 30 June 2019	**2,100,046**	**278,795**	**222,910**	**641,935**	**3,243,688**
Opening balance at 1 July 2019	2,100,046	278,795	222,910	641,935	3,243,688
Additions for the year	52,461	–	68,861	33,249	154,571
Disposals of assets		(2,316)	–		(2,316)
Depreciation/amortisation expense	(131,527)	(45,126)	(67,874)	(74,044)	(318,571)
Closing balance at 30 June 2020	**2,020,980**	**231,353**	**223,897**	**601,140**	**3,077,371**

**Note: Asset additions includes capital works still in progress*

Land and buildings included an amount of $1,935,604 (2019: $2,085,754) representing the carrying value of its building at the Malaga site. The Malaga buildings and grounds are situated on Crown Land, held as a reserve under a management order with the Company as the primary interest holder, which states that the land must be used for the purpose of an approved activity. In the event that the usage of the site no longer complies with its restricted use, the Governor of the State of Western Australia has the power to cancel the management order, in which case the value of the buildings improvements thereon may be forfeited.

Note 10: Right-of-use assets	2020	2019
	$	$
Right of Use Leased Assets	549,902	50,157
Less: Accumulated depreciation	(241,452)	–
Total	**308,450**	**50,157**

Movements in Carrying Amounts	Right-of-use: Buildings $	Right-of-use: Office Equipment $	Right-of-use: Motor Vehicles $	Right-of-use: Total $
Opening balance at 1 July 2019	477,667	39,567	32,668	549,902
Additions/modifications	–	–	–	–
Disposals	–	–	–	–
Amortisation expense	(218,531)	(11,042)	(11,879)	(241,452)
Closing balance at 30 June 2020	**259,136**	**28,525**	**20,789**	**308,450**

Note 11: Intangible assets	2020	2019
	$	$
Web development and other intangibles	52,211	39,027
Less: Accumulated amortisation	(31,844)	(29,899)
Total	**20,367**	**9,128**

Note 12: Trade and other payables	2020	2019
	$	$
Trade and other payables	646,153	775,386
Total	**646,153**	**775,386**

There are no amounts expected to be settled greater than 12 months.

Note 13: Lease Liability	2020	2019
	$	$
CURRENT		
Lease liability	244,657	–
Total	**244,657**	**–**
NON-CURRENT		
Lease liability	74,392	–
Total	**74,392**	**–**
Total lease liabilities	**319,049**	**–**

The Royal Society for Prevention of Cruelty to Animals, Western Australia
Notes to the Financial Statements for the financial year ended 30 June 2020

Note 14: Contract liabilities	2020	2019
	$	$
CURRENT		
Contract liabilities	207,027	37,801
Total	**207,027**	**37,801**

Note 15: Employee provisions	2020	2019
	$	$
CURRENT		
Provision for annual leave	203,353	265,816
Provision for long service leave	69,148	68,605
Total	**272,501**	**334,421**
NON-CURRENT		
Provision for long service leave	66,295	62,678
Total	**66,295**	**62,678**

Note 16: Equity

FINANCIAL ASSETS RESERVE	2020	2019
	$	$
Financial assets revaluation	**180,406**	**403,379**
Movements:		
Financial assets reserve		
Balance 1 July	403,379	504,787
Movement during the year	(222,973)	(101,408)
Balance 30 June	**180,406**	**403,379**

RETAINED SURPLUS	2020	2019
	$	$
Balance 1 July	6,741,187	8,584,868
Surplus/(deficit) for the year	3,081,150	(1,843,681)
Balance 30 June	**9,822,337**	**6,741,187**

Note 17 Fair Value Measurement

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

Inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 on a recurring basis:

30 June 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**$**	**$**	**$**	**$**
Financial assets at fair value through other comprehensive income	3,139,638	–	–	3,139,638
	3,139,638	**–**	**–**	**3,139,638**

30 June 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**$**	**$**	**$**	**$**
Financial assets at fair value through other comprehensive income	3,207,168	–	–	3,207,168
	3,207,168	**–**	**–**	**3,207,168**

The Company did not measure any other financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2020 and did not transfer any fair value amounts between the fair value hierarchies during the year ended 30 June 2020.

Note 18: Contingent Liabilities and Contingent Assets

The company had no contingent liabilities and assets as at 30 June 2020 (2019: nil).

Note 19: Commitments

The company has no other commitments as at 30 June 2020.

Note 20: Events after the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a major financial impact on the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Note 21: Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the company are liable to contribute if the Company is wound up is $2,160 (2019: $2,330).

Note 22: Reconciliation of net cash used in operating activities to surplus for the year

	2020	2019
	$	$
Surplus/(deficit) for the year	3,081,150	(1,843,678)
Non cash Items in surplus		
Depreciation & amortisation	562,056	354,708
Impairment/writeoff assets	26,108	0
Gain/(Loss) on disposal of assets	498	11,138
Changes in assets & liabilities net		
Decrease / (increase) in debtors	(303,561)	22,655
Increase / (decrease) in creditors	39,993	221,663
Decrease / (increase) in inventories	7,346	10,363
Increase / (decrease) in provisions	(35,252)	(8,789)
Net cash generated by/(used in) operating activities	**3,378,338**	**(1,231,940)**

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of The Royal Society for the Prevention of Cruelty to Animals, Western Australia ("RSPCA WA")

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RSPCA WA (the registered entity), which comprises the statement of financial position as at 30 June 2020, 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 WA, 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 2020 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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.

Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the re sponsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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 (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 24 September 2020

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, WESTERN AUSTRALIA ("RSPCA WA")

As lead auditor of RSPCA WA for the year ended 30 June 2020, 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-profit Commission Act 2012* in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

Ashleigh Woodley

Director

BDO Australia Ltd

Perth, 24 September 2020

RSPCA Western Australia

RSPCA WA relies on **donations** and **community support** to generate **more than 90% of the funds** required to sustain its animal protection work.

To donate, please visit www.rspcawa.asn.au

CONTACT

T (08) 9209 9300
E rspca@rspcawa.asn.au

108 Malaga Drive, Malaga WA 6090
PO Box 3147, Malaga WA 6944

CONNECT WITH US

facebook.com/rspcawa
instagram.com/rspca_wa
twitter.com/rspcawa

www.rspcawa.asn.au