

The Society for the Protection of Animals Abroad (Australia) Limited

ABN: 53 617 228 109

Financial report

For the year ended 31 December 2020

TABLE OF CONTENTS

Responsible entity's report	1 - 5
Auditor's independence declaration	6
Financial report	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to financial statements	11 - 17
Responsible entities declaration	18 - 19
Independent auditor's report	20 - 22

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

RESPONSIBLE ENTITY'S REPORT

The directors present their report together with the financial report of The Society for the Protection of Animals Abroad (Australia) Limited for the year ended 31 December 2020 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Rosemary Scott Pratt (*resigned 18 June 2020*)

Paul John Sylva

Gregory Dellas

Robert Gethen Smith

Kerin Welford

Jacqueline Hanafie (*appointed 24 September 2020*)

Cameron George Fellows (*appointed 24 September 2020*)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Information on directors

Rosemary Scott Pratt	Director (<i>resigned 18 June 2020</i>)
Qualifications	BA RVN
Experience	An experienced solicitor in the governance of charities.
Special responsibilities	Legal and Operations advisor
Paul John Sylva	Director of Finance
Qualifications	FCA FCIS
Experience	A New Zealand Chartered Accountant with over thirty years experience including working in New Zealand, Asia and the United Kingdom.
Gregory Dellas	Director
Qualifications	B Bus (Banking & Finance), Adv. cert. Accounting, Masters of Information Management and Systems (MIMS)
Experience	Senior Leader with over 15 years experience in the not-for-profit industry, including charities, faith, higher education, fundraising and CRM systems implementation.
Robert Gethen Smith	Director
Qualifications	BEng MA
Special responsibilities	Robert has been the Chair of the Society for the Protection of Animals Abroad (Australia) Limited from the 23 November 2018.

RESPONSIBLE ENTITY'S REPORT

Information on directors (Continued)

Kerin Welford	Director
Qualifications	Fellow of Fundraising Institute of Australia
Experience	Experienced not-for-profit leader
Special responsibilities	Country Director (Animals Asia) and the Board of Borneo Oranguten Survival Australia
Jacqueline Hanafie	Director (Appointed 24 September 2020)
Qualifications	Honours degree in Journalism and Masters in Strategic Public Relations
Experience	Expertise in communications, media and engagement strategy particularly with Not-for-Profit organisations.
Cameron George Fellows	Director (Appointed 24 September 2020)
Qualifications	Bachelor of Commerce with double major in accounting and management
Experience	Australian Chartered Accountant and Chartered Company Secretary with experience overseeing finance and governance functions.

Results

The profit of the company for the year after providing for income tax amounted to \$63,404 (2019: loss of \$77,227).

Dividends paid, recommended and declared

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

Options

No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

Principal activities

To carry out the company's strategies and to achieve its short-term and long-term objectives, the company engaged in the following principal activities during the year.

The Society for the Protection of Animals Abroad (Australia) Limited works to improve the welfare of working animals, who support some of the world's poorest communities in Africa, Central America and Asia. The charity achieves this by performing the following:

- Providing free veterinary treatment and care for working animals at our centres across Africa and the Middle East.
- Building expertise among vets and promoting humane care by animal owners.
- Developing positive beliefs, respect and compassion towards animals.

RESPONSIBLE ENTITY'S REPORT

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Likely developments

The company expects to maintain the present status and level of operations.

Short-term and long-term objectives and strategies

MISSION:

The Society for the Protection of Animals Abroad works to improve the welfare of working animals who support some of the world's poorest communities in Africa, Central America and Asia. The charity does this primarily through treatment, but also incorporates training and teaching in its work. The charity provides free veterinary treatment and care when animals are mistreated, suffering or in crisis situations. It rehabilitates abandoned animals, trains vets and owners in the treatment of animals, and promotes humane beliefs, respect and compassion in the way animals are treated. SPANA works in 25 countries including projects in Morocco, Zimbabwe, India and Indonesia.

VISION:

Our vision is a world where every working animal lives a life free from suffering and is treated with compassion.

OBJECTIVES:

The company's short and long-term objectives are to:

- Relieve suffering by direct care and treatment of working animals in the countries in which we operate;
- Rehabilitate abandoned animals;
- Improve the skills of veterinary professionals and owners in their care of animals;
- Increase the level of empathy in the next generation;
- Reach a greater number of supporters in order to increase our funding capacity for the future; and
- Raise the profile of SPANA by traditional and new media.

RESPONSIBLE ENTITY'S REPORT

Key performance indicators

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses the following key performance indicators to measure, analyse and monitor its performance:

	Target	Actual
Donations	404,931	562,959

After balance date events

There has been no matter or circumstance, which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2020, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2020, of the company.

Environmental regulation

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

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Rosemary Scott Pratt	2	2
Paul John Sylva	4	4
Gregory Dellas	4	4
Robert Gethen Smith	4	4
Kerin Welford	4	4
Jacqueline Hanafie	2	2
Cameron George Fellows	2	2

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 to a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2020 the number of members was 1. The combined total amount that members of the company are liable to contribute if the company is wound up is \$10.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

RESPONSIBLE ENTITY'S REPORT

Indemnification of officers

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the company.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

Indemnification of auditors

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

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

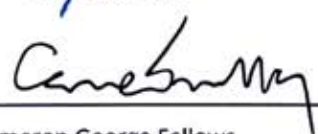
Proceedings on behalf of the company

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

Signed in accordance with a resolution of the board of directors.

Director: _____


Paul John Sylva

Director: _____


Cameron George Fellows

Dated this 25th day of March 2021

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
The Society for the Protection of Animals Abroad (Australia) Limited
37 Gondola Road
North Narrabeen NSW 2101

Auditor's Independence Declaration

In relation to the independent audit for the year ended 31 December 2020, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners

PITCHER PARTNERS



DANIEL COLWELL
Partner

Brisbane, Queensland
25 March 2021

Brisbane Sydney Newcastle Melbourne Adelaide Perth

Pitcher Partners is an association of independent firms.

An Independent Queensland Partnership ABN 84 797 724 539. Liability limited by a scheme approved under Professional Standards Legislation.

Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

 **bakertilly**
NETWORK MEMBER

pitcher.com.au

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Donations revenue		<u>562,959</u>	<u>432,627</u>
		<u>562,959</u>	<u>432,627</u>
Less: expenses			
Donor program expense		(259,482)	(295,059)
Public education and raising awareness expense		(139,721)	(126,454)
Charitable activities		(73,397)	(68,412)
General and administration expenses		<u>(26,955)</u>	<u>(19,929)</u>
		<u>(499,555)</u>	<u>(509,854)</u>
Surplus / (deficit) before income tax expense		63,404	(77,227)
Income tax expense / (benefit)		<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income / (deficit)		<u>63,404</u>	<u>(77,227)</u>

The accompanying notes form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	2	519,097	432,025
Receivables		<u>9,790</u>	<u>9,241</u>
Total current assets		<u>528,887</u>	<u>441,266</u>
Total assets		<u>528,887</u>	<u>441,266</u>
Current liabilities			
Payables	3	<u>80,631</u>	<u>56,414</u>
Total current liabilities		<u>80,631</u>	<u>56,414</u>
Non-current liabilities			
Payables	3	<u>700,316</u>	<u>700,316</u>
Total non-current liabilities		<u>700,316</u>	<u>700,316</u>
Total liabilities		<u>780,947</u>	<u>756,730</u>
Net liabilities		<u>(252,060)</u>	<u>(315,464)</u>
Equity			
Accumulated deficit	4	<u>(252,060)</u>	<u>(315,464)</u>
Total equity		<u>(252,060)</u>	<u>(315,464)</u>

The accompanying notes form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Accumulated deficit \$	Total equity \$
Balance as at 1 January 2019	(238,237)	(238,237)
Deficit for the year	<u>(77,227)</u>	<u>(77,227)</u>
Total comprehensive deficit for the year	<u>(77,227)</u>	<u>(77,227)</u>
Balance as at 31 December 2019	<u>(315,464)</u>	<u>(315,464)</u>
Balance as at 1 January 2020	(315,464)	(315,464)
Surplus for the year	<u>63,404</u>	<u>63,404</u>
Total comprehensive income for the year	<u>63,404</u>	<u>63,404</u>
Balance as at 31 December 2020	<u>(252,060)</u>	<u>(252,060)</u>

The accompanying notes form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Donations received		562,959	432,627
Payments to suppliers and employees		<u>(475,887)</u>	<u>(408,550)</u>
Net cash provided by operating activities		<u>87,072</u>	<u>24,077</u>
Reconciliation of cash			
Cash at beginning of the financial year		432,025	407,948
Net increase in cash held		<u>87,072</u>	<u>24,077</u>
Cash at end of financial year	2	<u>519,097</u>	<u>432,025</u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers The Society for the Protection of Animals Abroad (Australia) Limited as an individual entity. The Society for the Protection of Animals Abroad (Australia) Limited is a company limited by guarantee, incorporated and domiciled in Australia. The Society for the Protection of Animals Abroad (Australia) Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the responsible entities' report..

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Economic dependency

At 31 December 2020 the company's total liabilities exceeded total assets by \$252,060. The total liabilities of the company includes a loan payable of \$700,316 to its ultimate parent entity, The Society for the Protection of Animals Abroad (UK).

The company is dependent on the ongoing financial support of its ultimate parent entity to continue to meet its financial obligations as and when they become due and payable. The loan from The Society for the Protection of Animals Abroad (UK) has no set repayment terms and does not accrue interest. The Society for the Protection of Animals Abroad (UK) has provided confirmation that it will provide whatever financial support as is necessary to enable the company to meet its obligations as and when they fall due.

In conjunction with the continued financial support of its ultimate parent entity, the directors believe that the company will have sufficient cash resources for the 12 month period commencing on the date that this financial report has been signed. Accordingly, the directors are of the opinion that the company is a going concern and will be able to pay its debts as and when they become due and payable.

The financial statements have therefore been prepared on a going concern basis which assumes the company will realise its assets and extinguish its liabilities in the normal course of business. No adjustments have been made to the financial report relating to the recoverability and classification of asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income arising from the transfer of assets

The company derives income from the transfer of assets when the company provides no consideration in exchange for the asset received, or the consideration provided by the company is significantly less than the fair value of the asset received, principally to enable the company to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Donations

Cash donations and goods donated for resale are recognised as income when the company obtains control of the asset. Cash is recognised at the fair value of the consideration received. Goods donated for resale are recognised at current replacement cost.

All revenue is measured net of the amount of goods and services tax (GST).

(d) Income tax

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Financial instruments

Initial recognition and measurement

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

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

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the company's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the company for the acquisition of a business, and financial liabilities designated at FVTPL, are subsequently measured at fair value.

All other financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The company consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The company considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the company to have a strong financial position and no history of past due amounts from previous transactions with the company.

The company assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

The company determines expected credit losses using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The company has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the company's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the company applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the company's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the company's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the company has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the company. Recoveries, if any, are recognised in profit or loss.

(g) Goods and services tax (GST)

Revenues, expenses and purchased 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 component of investing and financing activities, which are disclosed as operating cash flows.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas, events after the reporting period that are indicative of conditions that arose after the reporting period (i.e. which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

NOTE 2: CASH FLOW INFORMATION

Reconciliation of cash

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

Cash at bank	<u>519,097</u>	<u>432,025</u>
--------------	----------------	----------------

NOTE 3: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	34,483	41,414
Sundry creditors and accruals	<u>46,148</u>	<u>15,000</u>
	<u>80,631</u>	<u>56,414</u>

NON CURRENT

Unsecured liabilities

Amounts payable to:

- The Society for the Protection of Animals Abroad (UK)	<u>700,316</u>	<u>700,316</u>
---	----------------	----------------

The loan from The Society for the Protection of Animals Abroad (UK) has no set repayment terms and does not accrue interest. The Society for the Protection of Animals Abroad (UK) has provided confirmation that it will not call upon the loan for a period of at least 12 months from the date of this financial report. Therefore, the amount payable has been recognised as non-current.

NOTE 4: ACCUMULATED DEFICIT

Accumulated deficit at beginning of year	(315,464)	(238,237)
Surplus / (deficit) for the year	<u>63,404</u>	<u>(77,227)</u>
	<u>(252,060)</u>	<u>(315,464)</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

The names of the directors in office at any time during or since the end of the year are:

Rosemary Scott Pratt (*resigned 18 June 2020*)

Paul John Sylva

Gregory Dellas

Robert Gethen Smith

Kerin Welford

Jacqueline Hanafie (*appointed 24 September 2020*)

Cameron George Fellows (*appointed 24 September 2020*)

All Directors of the company act in an honorary capacity and are not remunerated.

(b) Transactions with The Society for the Protection of Animals Abroad (UK)

The company has a loan payable to its ultimate parent entity, The Society for the Protection of Animals Abroad (UK) of \$700,316 (2019: \$700,316). Refer to note 3 for further information.

NOTE 6: CONTINGENT LIABILITIES

The company's directors have confirmed that there are no contingent liabilities at balance date (2019: nil).

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2020, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2020, of the company.

NOTE 8: 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 to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 31 December 2020 the number of members was 1. The combined total amount that members of the company are liable to contribute if the company is wound up is \$10.

NOTE 9: COMPANY DETAILS

The registered office of the company is:

The Society for the Protection of Animals Abroad (Australia) Limited
37 Gondola Road
North Narrabeen NSW 2101

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 10: INCOME AND EXPENDITURE - FUNDRAISING APPEALS		
The company has authority to raise funds in all Australian states and territories under the provision of the relevant associated regulations. The company conducted fundraising appeals to collect donations via a mail campaign during the period, the results of which are summarised below.		
Details of aggregate gross income and total expenses of fundraising appeals:		
Gross proceeds of fundraising appeals (as defined in the Act)	562,959	432,627
Costs of fundraising appeals	<u>(399,203)</u>	<u>(421,513)</u>
Net surplus from fundraising appeals	<u>163,756</u>	<u>11,114</u>
Statement showing how funds received were applied to charitable purposes:		
Net surplus from fundraising appeals	163,756	11,114
This was applied to the charitable purposes in the following manner:		
Improving the welfare of working animals activities	<u>(73,397)</u>	<u>(68,412)</u>
Fundraising surplus/(deficiency) carried forward	<u>90,359</u>	<u>(57,298)</u>
Fundraising appeals conducted during the financial year		
Donations	<u>562,959</u>	<u>432,627</u>
Gross proceeds of fundraising appeals (as defined in the Act)	<u>562,959</u>	<u>432,627</u>
Comparisons of certain monetary figures and percentages:		
The following figures and percentages exclude sales revenue and expenditure on commercial activities:		
Total cost of fundraising	(399,203)	(421,513)
Gross income from fundraising	562,959	432,627
Total cost as a percentage of gross income	(70.91%)	(97.43%)
Net surplus/(deficiency) from fundraising	163,756	11,114
Gross income from fundraising	562,959	432,627
Net surplus/(deficiency) as a percentage of gross income	29.09%	2.57%
Total cost of services	(73,397)	(68,412)
Total expenditure	(499,555)	(509,854)
Cost of services as a percentage of expenditure	14.69%	13.42%
Total cost of services	(73,397)	(68,412)
Total income received	562,959	432,627
Cost of services as a percentage of income received	<u>(13.04%)</u>	<u>(15.81%)</u>

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD (AUSTRALIA) LIMITED
ABN: 53 617 228 109

RESPONSIBLE ENTITIES DECLARATION

Declaration under the *Australian Charities and Not-for-profit Commission Regulation 2013*:

The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: _____

Paul John Sylva



Director: _____

Cameron George Fellows



Dated this 25th day of March 2021

RESPONSIBLE ENTITIES DECLARATION

Declaration under the Charity Acts:

The directors declare that:

- (i) *Charitable Fundraising Act 1992 (NSW) and Charitable Fundraising Regulations 2015 (NSW);*
- (ii) *Charitable Collections Act 2003 (ACT) and Charitable Collections Regulations 2003 (ACT);*
- (iii) *Charitable Collections Act 1946 (WA) and Charitable Collections Regulations 1947 (WA);*
- (iv) *Fundraising Act 1998 (VIC) and Fundraising Regulations 2009 (VIC);*
- (v) *Collections for Charitable Purposes Act 1939 (SA);*
- (vi) *Collections Act 1986 (QLD) and Collections Regulations 2008 (QLD); and*
- (vii) *Collections for Charities Act 2001 (TAS) and Collections for Charities Regulations 2011 (TAS).*

The responsible entities of the company declare that:

- (a) the financial report of The Society for the Protection of Animals Abroad (Australia) Limited shows a true and fair view of the financial results of fundraising appeals for the year ended 31 December 2020;
- (b) the financial report and associated records of the company have been properly kept during the period in accordance with the fundraising regulations;
- (c) money received as a result of fundraising appeals conducted during the year ended 31 December 2020 has been properly accounted for and applied in accordance with fundraising regulations;
- (d) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (e) we have not become aware of any matter that makes us believe that the company has not complied with the fundraising regulations.

This declaration is made in accordance with a resolution of the Board of Directors

Director: _____


Paul John Sylva

Director: _____


Cameron George Fellows

Dated this

25th

day of

March

2021

Independent Auditor's Report to the Members of The Society for the Protection of Animals Abroad (Australia) Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Society for the Protection of Animals Abroad (Australia) Limited (the "Registered Entity"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of The Society for the Protection of Animals Abroad (Australia) Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Registered Entity's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities and Those Charged with Governance 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 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 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 the financial report.

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

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

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

Report on the requirements of the *Charitable Fundraising Act (NSW) 1991* and *Charitable Fundraising Regulations 2015 (NSW)*

Opinion

We have audited the financial report of the Registered Entity as required by the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2015 (NSW)*.

In our opinion:

- (a) the Financial Report gives a true and fair view of the Registered Entity's financial result of fundraising appeal activities for the financial year ended 31 December 2020.
- (b) the Financial Report has been properly drawn upon, and the associated records have been properly kept for the period from 1 January 2020 to 31 December 2020, in accordance with *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2015 (NSW)*.
- (c) the money received as a result of fundraising appeals conducted by the Registered Entity during the financial year ended 31 December 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2015 (NSW)*.
- (d) there are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they fall due.

Responsibilities of Responsible Entities and Those Charged with Governance

The responsible entities of the Registered Entity are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*. Our responsibility is to express an opinion on the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)* based on our audit.

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.



PITCHER PARTNERS



DANIEL COLWELL
Partner

Brisbane, Queensland
25 March 2021