

Animals Australia Inc.
ABN 65 016 845 767

Annual Report - 30 June 2014

**Animals Australia Inc.
Executive committees' report**

30 June 2014

The executive committee members present their report, together with the financial statements, on the association for the year ended 30 June 2014.

Officer

The following person was an officer of the association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Glenys Oogjes, Executive Officer

Executive committee members

The following persons were executive committee members of the association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Cynthia Burnett, President
Carole de Fraga, Vice President
Dominique Thiriet, Secretary
Anna Hall, Treasurer

Objectives

The principal purpose of the association is to protect animals from exploitation and suffering and permanently improve the lives of all animals in Australia. In addition to this primary purpose, the association works with member societies to determine common policies and to represent and assist those groups to promote and encourage stronger protection of animals.

Strategy for achieving the objectives

The association continues to achieve its objectives by conducting campaigns to inform and educate the community about improving the lives of animals in Australia and advocating change; initiating and facilitating the development, enactment and enforcement of effective animal protection legislation; and promoting and encouraging stronger protection of animals where legislation does not apply.

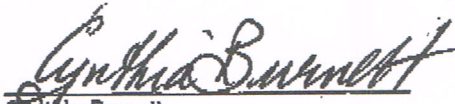
Ethical investment strategy

Animals Australia Inc. has developed an ethical investment criteria (with the assistance of Ethical Screening Pty Ltd), which forms the basis of the society's current investment strategy.

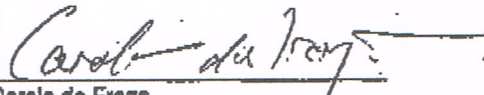
Principal activities

The principal activity of the society during the financial year was to raise consumer, public and political awareness of cruel practices that are inherent in the export of live animals, the factory-farming of animals and many other animal welfare issues. The other primary activity of the association is the provision of animal welfare representation on key government and animal industry bodies considering animal welfare standards. No significant changes in the nature of these activities occurred during the year.

On behalf of the executive committee members



Cynthia Burnett
President



Carole de Fraga
Vice President

September 2014
Melbourne

**Animals Australia Inc.
Financial report
30 June 2014**

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General Information

The financial report covers Animals Australia Inc. as an individual entity. The financial report is presented in Australian dollars, which is Animals Australia Inc.'s functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the officers' declaration.

The financial report was authorised for issue by the executive committee members on September 2014.

Animals Australia Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	2014 \$	2013 \$
Revenue		
Donations and bequests	4,669,167	3,544,749
Campaign and supporter income	968,872	1,495,477
Membership	98,997	95,304
Sale of merchandise	170,637	295,275
Government grant		33,006
Interest and dividend income	214,458	119,440
Other income	207,572	36,474
	<u>6,329,903</u>	<u>5,559,725</u>
Expenses		
Administration expenses	(196,526)	(177,909)
Awareness campaign costs	(2,741,434)	(2,196,714)
Cost of merchandise	(270,532)	(401,482)
Employee benefits expense	(1,502,158)	(1,152,497)
Depreciation and amortisation expense	(30,312)	(47,902)
Finance expenses	(131,606)	(122,491)
Investigation expense	(200,485)	(159,245)
Occupancy costs	(54,150)	(68,212)
Membership management expense	(15,924)	(73,469)
Travel expenses	(60,363)	(46,454)
	<u>(5,203,490)</u>	<u>(4,446,375)</u>
Surplus for the year attributable to Animals Australia Inc.	1,126,413	1,113,350
Other comprehensive income for the year		
Total comprehensive income for the year attributable to Animals Australia Inc.	<u>1,126,413</u>	<u>1,113,350</u>

A detailed statement of expenditure is set out on pages 20 to 22.

Animals Australia Inc.
Statement of financial position
As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	3	2,303,490	1,762,569
Trade and other receivables	4	192,977	64,745
Financial assets	5	530,932	1,875,842
Inventory		197,895	162,521
Other assets	7	429,201	
Total current assets		<u>3,654,495</u>	<u>3,885,677</u>
Non-current assets			
Financial assets	5	1,424,646	
Property, plant and equipment	6	133,823	130,468
Total non-current assets		<u>1,558,569</u>	<u>130,468</u>
Total assets		<u>5,213,064</u>	<u>3,996,145</u>
Liabilities			
Current liabilities			
Trade and other payable	8	161,676	75,843
Employee entitlements	9	168,671	154,602
Total current liabilities		<u>330,346</u>	<u>230,445</u>
Non-current liabilities			
Employee entitlements	9	11,280	20,655
Total non-current liabilities		<u>11,280</u>	<u>20,655</u>
Total liabilities		<u>341,606</u>	<u>251,100</u>
Net assets		<u>4,871,458</u>	<u>3,745,045</u>
Equity			
Retained surpluses		<u>4,871,458</u>	<u>3,745,045</u>
Total equity		<u>4,871,458</u>	<u>3,745,045</u>

Animals Australia Inc.
Statement of changes in equity
For the year ended 30 June 2014

	Retained surpluses	Total equity
	\$	\$
Balance at 1 July 2012	2,631,695	2,631,695
Surplus for the year	1,113,350	1,113,350
Other comprehensive income for the year		
Total comprehensive income for the year	<u>1,113,350</u>	<u>1,113,350</u>
Balance at 30 June 2013	<u>3,745,045</u>	<u>3,745,045</u>
	Retained surpluses	Total equity
	\$	\$
Balance at 1 July 2013	3,745,045	3,745,045
Surplus for the year	1,126,413	1,126,413
Other comprehensive income for the year		
Total comprehensive income for the year	<u>1,126,413</u>	<u>1,126,413</u>
Balance at 30 June 2014	<u>4,871,458</u>	<u>4,871,458</u>

Animals Australia Inc.
Statement of cash flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from supporters and members (Inclusive of GST)		266,602	431,485
Payments to suppliers and employees (Inclusive of GST)		(5,945,729)	(4,486,671)
Net GST refund from the Australian Taxation Office		443,496	
Campaign and supporter income		968,872	1,495,477
Donations received		4,669,167	3,544,749
Grants received			39,006
Interest and dividends received		198,985	107,622
Net cash from operating activities	14	<u>601,393</u>	<u>1,125,668</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(34,698)	(67,719)
Proceeds from investments		36,460	
Payments for investments		(64,234)	(511,211)
Net cash from investing activities		<u>(60,472)</u>	<u>(578,924)</u>
Net increase/(decrease) in cash held		540,921	546,744
Cash on hand at the beginning of the financial year		1,762,569	1,215,825
Cash on hand at the end of the financial year	3	<u>2,303,490</u>	<u>1,762,569</u>

Animals Australia Inc.
Notes to the financial statements
30-June 2014

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Basis of preparation

In the officers' opinion, the association 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 *Associations Incorporation Reform Act (Vic) 2012* and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Animals Australia Inc.

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 1031 'Materiality', AASB 1048 'Interpretation and Application of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

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

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Interest

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

Other revenue

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

Income tax

As the association 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.

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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices.

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 1. Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the association has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Property, plant and equipment

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

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

Property improvements	6-7 years
Motor vehicles	8 years
Office equipment and furniture	3-20 years

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 association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

~~Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.~~

**Animals Australia Inc.
Notes to the financial statements
30 June 2014**

Note 1. Significant accounting policies (continued)

Trade and other payables

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

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2014. The association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

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

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

Employee benefits provision

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

Note 3. Cash and cash equivalents

	2014	2013
	\$	\$
Cash on hand	2,759	1,798
Cash at bank	1,138,080	203,806
Short term deposits	1,184,657	1,557,165
	<u>2,303,490</u>	<u>1,762,569</u>

In line with the association's ethical investment approach, cash assets, including those in Note 5, are held with the following institutions:

- Bankmecu;
- Commonwealth Bank of Australia;
- Bendigo Bank;
- Macquarie Bank; and
- Howard Mortgage Fund.

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 4. Trade and other receivables

	2014	2013
	\$	\$
Sundry debtors	34,645	12,218
GST receivable	158,332	52,527
	<u>192,977</u>	<u>64,745</u>

Note 6. Financial assets

	2014	2013
	\$	\$
Current		
Cash on deposit		1,400,403
Securities held for trading	530,932	475,439
	<u>530,932</u>	<u>1,875,842</u>
Non-current		
Cash on deposit	<u>1,424,646</u>	-

Note 6. Property, plant and equipment

	2014	2013
	\$	\$
Property improvements - at cost	65,681	54,609
Less: Accumulated depreciation	(28,099)	(18,956)
	<u>37,582</u>	<u>35,653</u>
Motor vehicles - at cost	10,000	10,000
Less: Accumulated depreciation	(6,359)	(5,107)
	<u>3,641</u>	<u>4,893</u>
Office equipment and furniture - at cost	156,870	183,431
Less: Accumulated depreciation	(64,170)	(93,509)
	<u>92,700</u>	<u>89,922</u>
	<u>133,923</u>	<u>130,468</u>

Note 7. Other assets

	2014	2013
	\$	\$
Prepayments	<u>429,201</u>	-

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 8. Trade and other payables

	2014	2013
	\$	\$
Trade creditors	64,722	11,852
Payroll liabilities	86,753	53,991
Accrued expenditure	10,200	10,000
	<u>161,675</u>	<u>75,843</u>

Note 9. Employee entitlements

	2014	2013
	\$	\$
Current		
Provision for annual leave	87,960	87,414
Provision for long service leave	80,711	67,188
	<u>168,671</u>	<u>154,602</u>
Non-current		
Provision for long service leave	11,260	20,655

Note 10. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by DFK Collins Chartered Accountants, the auditor of the association:

	2014	2013
	\$	\$
<i>Audit services - DFK Collins Chartered Accountants</i>		
Audit of the financial statements	10,200	10,000

Note 11. Contingent liabilities

The association had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Note 12. Commitments

The association had no commitments for expenditure as at 30 June 2014 and 30 June 2013.

Note 13. Events after the reporting period

~~No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.~~

Animals Australia Inc.
Notes to the financial statements
30 June 2014

Note 14. Reconciliation of surplus to net cash from operating activities


	2014	2013
	\$	\$
Surplus for the year	1,128,413	1,113,350
Adjustments for:		
Depreciation and amortisation	30,312	47,902
Change in market value of investments	(53,962)	
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(126,301)	(61,784)
Decrease/(Increase) in other current assets	(429,201)	-
Decrease/(Increase) in inventory	(35,374)	(28,633)
Increase/(decrease) in trade and other payables	84,832	37,368
Increase/(decrease) in employee entitlements	4,674	17,465
Net cash from operating activities	<u>801,393</u>	<u>1,125,668</u>

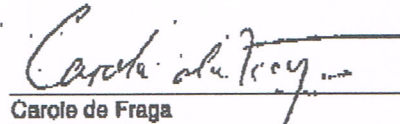
**Animals Australia Inc.
Members' declaration**

In the members' opinion:

- the association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Associations Incorporation Reform Act (Vic) 2012 and associated regulations;
- the attached financial statements and notes thereto comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the association's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On behalf of the executive committee members


Cynthia Burnett
President


Carole de Fraga
Vice President

14 September 2014
Melbourne



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANIMALS AUSTRALIA INC.

Report on the Financial Report

We have audited the accompanying financial report of Animals Australia Inc., which comprises the statement of financial position as at 30 June 2014, 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 comprising a summary of significant accounting policies and other explanatory information, and the officers' declaration.

The Responsibility of the Members of the Executive Committee for the Financial Report

The Members of the Executive Committee of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012* and are appropriate to meet the needs of the members. The Members of the Executive Committees' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members of the Executive Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Executive Committee's financial reporting requirements under the *Associations Incorporation Reform Act (Vic) 2012*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

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



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Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Animals Australia Inc. as at 30 June 2014 and of its performance and its cash flows for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Animals Australia Inc. to meet the requirements of the *Associations Incorporation Reform Act (Vic) 2012*. As a result, the financial report may not be suitable for another purpose.

DFK Collins

DFK COLLINS
CHARTERED ACCOUNTANTS

Robert Wernli

Robert Wernli
Partner

19 September 2014
Melbourne



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ANIMALS AUSTRALIA INC.

DISCLAIMER ON THE DETAILED STATEMENT OF EXPENDITURE

The detailed statement of expenditure set out on pages 20 to 22 is in accordance with the books and records of the Animals Australia Inc., which have been subject to the auditing procedures applied in our statutory audit for the year ended 30 June 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the association) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

DFK Collins

**DFK COLLINS
CHARTERED ACCOUNTANTS**

Robert Wernli

**Robert Wernli
Partner**

**19 September 2014
Melbourne**

Animals Australia Inc.
Detailed statement of expenditure
For the year ended 30 June 2014

	2014	2013
	\$	\$
Administration expenses		
Accounting fees	14,875	1,289
AGM expenses	18,137	29,734
Auditing and professional fees	13,140	12,420
Investment expense	6,268	1,627
Catering	82	13,682
Cleaning	4,552	4,144
Computer expenses	9,839	4,314
Conferences and seminars	3,528	-
Consultants - design	7,700	-
Display and promotional expenses	5,387	-
Donations to other groups	8,350	4,500
Educational material	89	-
Electronic and digital expenses	3,867	-
FOI requests	1,284	5,741
Freight	2,858	4,310
Insurance - general	2,451	10,548
Internet expenses	362	4,168
Journals and periodicals	34	-
Licences and registrations	1,918	917
Loss on disposal of assets	831	-
Memberships and subscriptions	5,852	3,153
Meeting expense	338	129
Photocopying	4,073	3,028
Photocopier rental/service	3,645	2,736
Repairs and maintenance	10,210	7,402
Research	3,027	102
Rubbish removal	2,247	1,732
Staff education/training	4,129	5,941
Staff and volunteer amenities	6,537	3,598
Stationery and office supplies	19,300	22,425
Sundry payments	68	-
Telephone and fax	23,822	22,002
Website hosting and domain	7,558	8,285
	<u>196,526</u>	<u>177,909</u>
Awareness campaign costs		
AAAN events	11,858	8,892
AAAN printing and materials	248	-
Campaign advertising and media	2,636,480	2,094,100
Hire of venue	461	-
Printing - campaign flyers	5,957	54,600
Printing - commercial	85,238	39,322
Rally venue and equipment hire	1,184	-
	<u>2,741,434</u>	<u>2,196,714</u>

Animals Australia Inc.
Detailed statement of expenditure (continued)
For the year ended 30 June 2014

	2014	2013
	\$	\$
Cost of merchandise		
Badges	276	16,283
Bags	10,045	73,482
Bookmarks	1,086	1,758
Books	7913	4,892
Bumper stickers	7,552	25,764
Giftware	26,425	32,972
Pencil tins	-	2,538
Packaging	-	38
Soft toys	25,547	97,401
T-shirts	51,373	39,272
Wristbands	900	-
Discount Received on Stock	(1,807)	-
Postage	177,186	136,205
Adjustment for closing stock	(35,374)	(28,633)
	<u>270,532</u>	<u>401,482</u>
Employee benefits expense		
Superannuation	122,572	89,552
Workcover	15,098	11,245
Wages and salaries	1,359,811	1,034,237
Annual leave expense	549	4,100
Long service leave expense	4,128	13,363
	<u>1,502,158</u>	<u>1,152,497</u>
Depreciation and amortisation expense		
Depreciation – property improvements	9,143	8,181
Depreciation – motor vehicles	1,252	1,420
Depreciation – office equipment and furniture	19,917	38,291
	<u>30,312</u>	<u>47,892</u>
Finance expenses		
Bank and merchant charges	80,285	77,074
Credit card charges – SecurePay	51,311	45,417
	<u>131,606</u>	<u>122,491</u>
Investigation expenses		
Investigations	200,485	159,245
	<u>200,485</u>	<u>159,245</u>
Occupancy costs		
Heat, light, power and water	8,227	5,406
Rent	45,923	62,806
	<u>54,150</u>	<u>68,212</u>

Animals Australia Inc.
Detailed statement of expenditure (continued)
For the year ended 30 June 2014

	2014	2013
	\$	\$
Membership management expense		
Membership management expense	15,924	73,469
	<u>15,924</u>	<u>73,469</u>
Travel expenses		
Motor vehicle expenses	10,855	10,211
Travel and accommodation	48,887	36,243
Travel and accommodation - FBT	621	
	<u>60,363</u>	<u>46,454</u>
Total expenses	<u>5,203,490</u>	<u>4,448,375</u>

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