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Professional Standards  
Legislation.

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**HUMANE SOCIETY INTERNATIONAL INC.**

**63 510 927 032**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2018**

Liability limited by a scheme approved under  
Professional Standards Legislation

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

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**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**COMMITTEE'S REPORT**

Your committee members submit the financial report of the HUMANE SOCIETY INTERNATIONAL INC. for the financial year ended 30 June 2018.

**Committee Members**

The name of each member of the committee during the year and at the date of the report;

M Kennedy - President  
V Simpson - Treasurer  
P Woolley - Vice President  
E Willis-Smith - Secretary  
J Irwin  
A Rowan  
J Grandy  
D Anderson-Bardon

**Principal Activities**

The principal activities of the association during the financial year were:

- 1) To promote the protection of all living things from cruelty and neglect;
- 2) To promote the enhancement and conservation of all wild plants and animals;
- 3) To promote the protection and conservation of, or research into, native species and ecological communities listed in Federal, State and Territory legislation;
- 4) To promote the welfare and conservation of all animals and wildlife in domestic and international trade;
- 5) To use all means to further humane and environmental education;
- 6) To participate in and co-operate with all other international organisations and with societies and organisations in Australia and other nations, in all efforts to prevent or ameliorate the suffering of animals and the preservation and conservation of the environment;
- 7) To assist and persuade and, if necessary through legal means, to compel government bodies and agencies to further the protection of animals and the environment through appropriate regulations and enforcement; and
- 8) To pursue all lawful means in furthering the purposes of this incorporated body.

**Significant Changes**

No significant change in the nature of these activities occurred during the year.

**Operating Result**

The loss of the association amounted to \$(137,649.06).

Signed in accordance with a resolution of the Members of the Committee.

HUMANE SOCIETY INTERNATIONAL INC.  
63 510 927 032

COMMITTEE'S REPORT

Committee Member:

M Kennedy - President

Committee Member:

V Simpson - Treasurer

Dated this day of

10th August, 2018

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Income</b>			
Revenue	3	2,507,512.90	2,081,264.22
<b>Expenditure</b>			
Depreciation and amortisation expenses		(10,857.72)	(7,425.18)
Other expenses		(2,634,304.24)	(2,354,815.64)
		(137,649.06)	(280,976.60)
<b>Loss for the year</b>	4	(137,649.06)	(280,976.60)
<b>Total comprehensive income for the year</b>		(137,649.06)	(280,976.60)

The accompanying notes form part of these financial statements.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	644,422.16	891,144.10
Trade and other receivables	6	16,081.78	11,512.18
<b>TOTAL CURRENT ASSETS</b>		<u>660,503.94</u>	<u>902,656.28</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	11,460.19	13,064.28
Investment property	8	2,001,475.20	2,001,475.20
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,012,935.39</u>	<u>2,014,539.48</u>
<b>TOTAL ASSETS</b>		<u>2,673,439.33</u>	<u>2,917,195.76</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	72,537.33	169,644.70
<b>TOTAL CURRENT LIABILITIES</b>		<u>72,537.33</u>	<u>169,644.70</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	844,500.00	853,500.00
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>844,500.00</u>	<u>853,500.00</u>
<b>TOTAL LIABILITIES</b>		<u>917,037.33</u>	<u>1,023,144.70</u>
<b>NET ASSETS</b>		<u>1,756,402.00</u>	<u>1,894,051.06</u>
<b>EQUITY</b>			
Retained earnings	11	1,756,402.00	1,894,051.06
<b>TOTAL EQUITY</b>		<u>1,756,402.00</u>	<u>1,894,051.06</u>

The accompanying notes form part of these financial statements.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 July 2016</b>		2,175,028	2,175,028
Profit attributable to members		<u>(280,977)</u>	<u>(280,977)</u>
<b>Balance at 30 June 2017</b>		1,894,051	1,894,051
Profit attributable to members		<u>(137,649)</u>	<u>(137,649)</u>
<b>Balance at 30 June 2018</b>		<u>1,756,402</u>	<u>1,756,402</u>

The accompanying notes form part of these financial statements.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

		2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,500,855.31	2,060,877.18
Payments to suppliers and employees		(2,735,981.21)	(2,335,099.48)
Interest received		6,657.59	20,387.04
<b>Net cash provided by (used in) operating activities</b>	<b>12</b>	<u>(228,468.31)</u>	<u>(253,835.26)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(9,253.63)	(4,384.55)
<b>Net cash provided by (used in) investing activities</b>		<u>(9,253.63)</u>	<u>(4,384.55)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(9,000.00)	(22,500.00)
<b>Net cash provided by (used in) financing activities</b>		<u>(9,000.00)</u>	<u>(22,500.00)</u>
Net increase (decrease) in cash held		(246,721.94)	(280,719.81)
Cash at beginning of financial year		891,144.10	1,171,863.91
<b>Cash at end of financial year</b>	<b>5</b>	<u>644,422.16</u>	<u>891,144.10</u>

The accompanying notes form part of these financial statements.



**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**1 Summary of Significant Accounting Policies**

The financial statements cover HUMANE SOCIETY INTERNATIONAL INC. as an individual entity. HUMANE SOCIETY INTERNATIONAL INC. is an association incorporated in New South Wales under the Associations Incorporation Act 2009 ('the Act').

**2 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Act 2009.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless stated otherwise.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

**Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

**Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

**HUMANE SOCIETY INTERNATIONAL INC.**  
63 510 927 032

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Incomes	2,500,855.31	2,060,877.18
Other revenue:		
Interest received	6,657.59	20,387.04
Total revenue	<u>2,507,512.90</u>	<u>2,081,264.22</u>
<b>4 Loss for the year</b>		
The result for the year was derived after charging / (crediting) the following items:		
Profit from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Depreciation of property, plant and equipment	10,857.72	7,425.18
<b>5 Cash and Cash Equivalents</b>		
Cash on Hand	212.85	290.70
Cash at Bank	644,209.31	890,853.40
	<u>644,422.16</u>	<u>891,144.10</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	644,422.16	891,144.10
	<u>644,422.16</u>	<u>891,144.10</u>
<b>6 Trade and Other Receivables</b>		
<b>Current</b>		
Input Tax Credits	<u>16,081.78</u>	<u>11,512.18</u>

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>7 Property, Plant and Equipment</b>		
Motor Vehicles	-	39,359.08
Less: Accumulated Depreciation	-	(34,704.45)
	-	4,654.63
Office Furniture & Equipment	39,226.66	240,264.03
Less: Accumulated Depreciation	(27,766.47)	(231,854.38)
	11,460.19	8,409.65
<b>Total Plant and Equipment</b>	11,460.19	13,064.28
<b>Total Property, Plant and Equipment</b>	11,460.19	13,064.28

**Movements in Carrying Amounts of Property, Plant and Equipment**

**8 Investment Property**

'Warriwillah' at Clearview Rd Michelago	902,825.20	902,825.20
11/27 Old Barrenjoey Road Property	1,098,650.00	1,098,650.00
	2,001,475.20	2,001,475.20

**9 Accounts Payable and Other Payables**

**Current**

Trade Creditors	1,168.91	5,940.17
PAYG Withholding Payable	29,031.77	24,270.42
Provision for Annual & Long Service Leave	42,336.65	139,434.11
	72,537.33	169,644.70

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>10 Borrowings</b>		
<b>Non-Current</b>		
Loans - Bank	844,500.00	853,500.00
	<u>844,500.00</u>	<u>853,500.00</u>
Total borrowings	<u>844,500.00</u>	<u>853,500.00</u>
<b>11 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	1,894,051.06	2,175,027.66
Net loss attributable to the association	(137,649.06)	(280,976.60)
Retained earnings at the end of the financial year	<u>1,756,402.00</u>	<u>1,894,051.06</u>
<b>12 Cash Flow Information</b>		
<b>Reconciliation of result for the year to cashflows from operating activities.</b>		
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Loss	(137,649.06)	(280,976.60)
Cash flows excluded from loss attributable to operating activities	(90,819.25)	\$27,141.34
	<u>(228,468.31)</u>	<u>(253,835.26)</u>

**13 Financial Risk Management**

The association is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the association's objectives, policies and processes for managing and measuring these risks.

The association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The association does not have any derivative instruments at 30 June 2018.

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**2018**  
**\$**

**2017**  
**\$**

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The association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

**14 Cash Reserves**

The budgeted excess of expenses for the year of \$137,649.06 was funded from the prior years surplus funds of \$564,655.

**15 Statutory Information**

The registered office of the association is:

5/27 Old Barrenjoey Rd, Avalon NSW

The principal place of business is:

5/27 Old Barrenjoey Rd, Avalon NSW

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

The committee has determined that the association is a reporting entity and that this general purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 16:

1. Present fairly the financial position of HUMANE SOCIETY INTERNATIONAL INC. as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that HUMANE SOCIETY INTERNATIONAL INC. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

**President:**

M Kennedy

**Treasurer:**

V Simpson

**Dated this day of**

10th August, 2018.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HUMANE SOCIETY INTERNATIONAL INC.  
63 510 927 032**

**Report on the Audit of the Financial Report**

**Opinion**

I have audited the accompanying financial report of HUMANE SOCIETY INTERNATIONAL INC. (the association) which comprises the statement of financial position as at 30 June 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In my opinion, the accompanying financial report of the association for the year ended 30 June 2018 is prepared, in all material respects, in accordance with the Associations Incorporation Act 2009.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the code.

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

**Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the association'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 management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Report**

My 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HUMANE SOCIETY INTERNATIONAL INC.  
63 510 927 032**

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 my 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director'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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

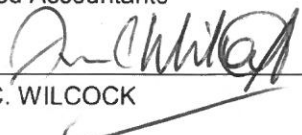
I also provide the director with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the director, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HUMANE SOCIETY INTERNATIONAL INC.  
63 510 927 032**

**Name of Firm:** LOWY WILCOCK & CO  
Chartered Accountants

**Name of Principal:**

  
DEAN C. WILCOCK

**Address:** LEVEL 6, 72 PITT STREET, SYDNEY NSW 2000

**Dated this day of**

10th August 2018

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, M Kennedy - President and V Simpson – Treasurer of 5/27 Old Barrenjoey Rd, Avalon NSW, certify that:

- (a) I attended the annual general meeting of the association held on \_\_\_\_\_.
- (b) The financial statements for the year ended 30 June 2018 were submitted to the members of the association at its annual general meeting.

**Dated this day of**

**Committee Member:** \_\_\_\_\_  
M Kennedy - President

\_\_\_\_\_  
V Simpson - Treasurer

**HUMANE SOCIETY INTERNATIONAL INC.**  
**63 510 927 032**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>INCOME</b>		
Public Donations	1,805,550.01	1,825,711.89
Grants	200,000.00	-
Sales and Promotions	6,945.40	7,663.62
Bequest Income	486,082.92	190,579.79
Sundry Income	2,276.98	36,921.88
	<u>2,500,855.31</u>	<u>2,060,877.18</u>
<b>OTHER INCOME</b>		
Interest Received	6,657.59	20,387.04
	<u>2,507,512.90</u>	<u>2,081,264.22</u>
<b>EXPENSES</b>		
Bank Charges	19,792.64	15,071.13
Campaign Communications and Publications	62,462.01	59,510.89
Depreciation	10,857.72	7,425.18
Education	8,049.60	5,470.41
Fundraising	178,736.30	209,349.10
General	222,576.53	224,044.63
Membership	3,510.63	11,259.50
Program Expenditures	1,328,505.49	1,139,660.96
Project Payments	808,440.90	689,373.04
"Warriwillah" Holding Cost	2,230.14	1,075.98
	<u>2,645,161.96</u>	<u>2,362,240.82</u>
<b>Loss before income tax</b>	<u>(137,649.06)</u>	<u>(280,976.60)</u>

The accompanying notes form part of these financial statements.