

HUMANE SOCIETY INTERNATIONAL INC.

ABN: 63 510 927 032

**Financial Report For The Year Ended
30 June 2017**

HUMANE SOCIETY INTERNATIONAL INC.

ABN: 63 510 927 032

Financial Report For The Year Ended 30 June 2017

CONTENTS	Page
Committee's Report	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
True and Fair Certification by Members of the Committee	11
Independent Auditor's Report	12
Certificate by Members of the Committee	14
Income and Expenditure Statement	15

HUMANE SOCIETY INTERNATIONAL INC.

ABN: 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 2017.

Committee Members

The names of committee members throughout the year and at the date of this report are:

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

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 amount to \$-280,977.

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

M Kennedy - President

V Simpson - Treasurer

Dated this day of 2017

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	2,081,264	3,289,592
Employee provisions expense		-	-
Depreciation and amortisation expenses		(7,425)	(13,646)
Seminars and publications		(59,511)	(101,181)
Sundry expenses		(2,295,305)	(2,329,133)
Interest expense		-	-
Current year surplus before income tax		(280,977)	845,632
Income tax expense		-	-
Net current year surplus		(280,977)	845,632
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value remeasurement gains on available-for-sale financial assets, net of tax		-	-
Items that will not be reclassified subsequently to profit or loss:			
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(280,977)	845,632
Net current year surplus attributable to members of the entity		(280,977)	845,632
Total comprehensive income attributable to members of the entity		(280,977)	845,632

The accompanying notes form part of these financial statements.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	Note 3	891,144	1,171,864
Accounts receivable and other debtors	Note 4	11,512	63,839
TOTAL CURRENT ASSETS		<u>902,656</u>	<u>1,235,703</u>
NON-CURRENT ASSETS			
Property, plant and equipment	Note 5	2,014,539	2,017,580
TOTAL NON-CURRENT ASSETS		<u>2,014,539</u>	<u>2,017,580</u>
TOTAL ASSETS		<u><u>2,917,196</u></u>	<u><u>3,253,283</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	Note 6	30,211	80,421
Employee provisions	Note 7	139,434	121,835
TOTAL CURRENT LIABILITIES		<u>169,645</u>	<u>202,256</u>
NON-CURRENT LIABILITIES			
Lease liabilities	Note 8	853,500	876,000
TOTAL NON-CURRENT LIABILITIES		<u>853,500</u>	<u>876,000</u>
TOTAL LIABILITIES		<u>1,023,145</u>	<u>1,078,256</u>
NET ASSETS		<u><u>1,894,051</u></u>	<u><u>2,175,028</u></u>
EQUITY			
Retained surplus		1,894,051	2,175,028
TOTAL EQUITY		<u><u>1,894,051</u></u>	<u><u>2,175,028</u></u>

The accompanying notes form part of these financial statements.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

Note	Retained Surplus \$	Financial Assets Reserve \$	General Reserve \$	Total \$
Balance at 1 July 2015			1,329,396	1,329,396
Comprehensive income				
Net surplus for the year			845,632	845,632
Other comprehensive income for the year				-
Total comprehensive income attributable to members of the entity	-	-	845,632	845,632
Balance at 30 June 2016	-	-	2,175,028	2,175,028
Balance as at 1 July 2016				
Comprehensive income				
Net surplus for the year			(280,977)	(280,977)
Other comprehensive income for the year				-
Total comprehensive income attributable to members of the entity	-	-	(280,977)	(280,977)
Balance at 30 June 2017	-	-	1,894,051	1,894,051

The accompanying notes form part of these financial statements.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations received		1,825,712	1,939,579
Payments to suppliers and employees		(2,335,099)	(2,521,623)
Interest received		20,387	5,280
Other revenue from operating activities		36,922	12,777
Humane Choice		7,664	11,218
Bequest Income		190,580	1,320,739
Net cash provided by/(used in) operating activities	Note 10	<u>(253,835)</u>	<u>767,970</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		<u>(4,385)</u>	<u>(7,045)</u>
Net cash provided by/(used in) investing activities		<u>(4,385)</u>	<u>(7,045)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of borrowings		(22,500)	(14,000)
Proceeds from borrowings		-	-
Net cash provided by/(used in) financing activities		<u>(22,500)</u>	<u>(14,000)</u>
Net increase/(decrease) in cash held		(280,720)	746,924
Cash on hand at beginning of financial year		1,171,864	424,940
Cash on hand at end of financial year	Note 3	<u><u>891,144</u></u>	<u><u>1,171,864</u></u>

The accompanying notes form part of these financial statements.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The financial statements were authorised for issue on _____ by the members of the committee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Humane Society International Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Reform Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(b) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(c) Employee Provisions

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

(d) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(f) Revenue and Other Income

Non-reciprocal grant revenue is recognised profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(h) Goods and Services Tax (GST)

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

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 ATO is included with other receivables or payables in the statement of financial position.

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Comparative Figures

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

(j) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within [insert number] days of recognition of the liability.

(k) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 2 Revenue and Other Income

	2017	2016
	\$	\$
Other revenue		
— donations received	1,825,712	1,939,579
— Humane Choice	7,664	11,218
— Bequest Income	190,580	1,320,739
— other revenue from operating activities	36,922	12,777
— interest income (on financial assets not at fair value through profit or loss)	20,387	4,945
— RDMF	-	335
	<u>2,081,264</u>	<u>3,289,592</u>
Total revenue	<u>2,081,264</u>	<u>3,289,592</u>

Note 3 Cash and Cash Equivalents

	Note	2017	2016
		\$	\$
Cash at bank - unrestricted		891,144	1,171,864
Short-term investments - bank deposits		-	-
	Note 11	<u>891,144</u>	<u>1,171,864</u>

Note 4 Accounts Receivable and Other Debtors

	Note	2017	2016
		\$	\$
CURRENT			
Other debtors		-	56,609
Input Tax Credit		11,512	7,230
Total current accounts receivable and other debtors	Note 11	<u>11,512</u>	<u>63,839</u>
Financial Assets classified as loans and receivables	Note	2017	2016
		\$	\$
Accounts receivable and other debtors			
— total current	Note 11	<u>11,512</u>	<u>63,839</u>

Note 5 Property, Plant and Equipment

	2017	2016
	\$	\$
Motor Vehicles		
Motor Vehicles	39,359	39,359
(Accumulated depreciation)	(34,704)	(33,153)
	<u>4,655</u>	<u>6,206</u>
Office Furniture & Equipment		

HUMANE SOCIETY INTERNATIONAL INC.

ABN: 63 510 927 032

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Office Furniture & Equipment	240,264	235,879
(Accumulated depreciation)	(231,854)	(225,980)
	<u>8,410</u>	<u>9,899</u>
Investment Properties		
Warriwillah' at Clearview Road Michelago	902,825	902,825
5/27 Old Barrenjoey Road Property	1,098,650	1,098,650
	<u>2,001,475</u>	<u>2,001,475</u>
Total property, plant and equipment	<u>2,014,539</u>	<u>2,017,580</u>

Note 6 Accounts Payable and Other Payables

	2017	2016
Note	\$	\$
CURRENT		
Accounts payable	5,940	61,055
Superannuation Payable	-	88
PAYG Withholding Payable	24,270	19,278
Note 6a	<u>30,211</u>	<u>80,421</u>

Note 7 Employee Provisions

	2017	2016
Note	\$	\$
CURRENT		
Employee provisions - Annual leave entitlements	139,434	121,835
	<u>139,434</u>	<u>121,835</u>
NON-CURRENT		
Employee provisions - Long service leave	-	-
	<u>-</u>	<u>-</u>
Total provisions	<u>139,434</u>	<u>121,835</u>

Employee Provisions - Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

Note 8 Lease Liabilities

	2017	2016
Note	\$	\$
NON-CURRENT		
Lease liability	-	-
Bank Loan	853,500	876,000
	<u>853,500</u>	<u>876,000</u>
Total lease liabilities	<u>853,500</u>	<u>876,000</u>

Note 9 Events after the Reporting Period

The committee is not aware of any significant events since the end of the reporting period.

Note 10 Cash Flow Information

	2017	2016
	\$	\$
Reconciliation of cash flows from operating activities with net current year surplus		
Net current year surplus	(280,977)	845,632
Cash flows excluded from current year surplus		
Non-cash flows in current year surplus:		
— Depreciation expense	7,425	13,646
— Net (gain)/loss on disposal of property, plant and equipment		

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Changes in assets and liabilities

— (Increase)/decrease in accounts receivable and other debtors	52,327	(53,817)
— (Increase)/decrease in prepayments		
— (Increase)/decrease in inventories on hand		
— Increase/(decrease) in accounts payable and other payables	(50,211)	15,669
— Increase/(decrease) in current tax liabilities		
— Increase/(decrease) in employee provisions	17,600	(53,161)
	<u>(253,835)</u>	<u>767,970</u>

Note 11 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement*, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	Note 3	891,144	1,171,864
Accounts receivable and other debtors	Note 4	11,512	63,839
Available-for-sale financial assets:			
— shares in listed corporations		-	-
Total financial assets		<u>902,656</u>	<u>1,235,703</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
— Accounts payable and other payables	Note 6	30,211	80,421
— Lease liabilities	Note 8	853,500	876,000
Total financial liabilities		<u>883,711</u>	<u>956,421</u>

Financial Risk Management Policies

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Note 12 Association Details

The registered office of the association is:

Humane Society International Inc.

5/27 Old Barrenjoey Road, AVALON NSW 2107

The principal place of business is:

Humane Society International Inc.

5/27 Old Barrenjoey Road, AVALON NSW 2107

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION
AND PERFORMANCE OF INCORPORATED ASSOCIATION

We, M Kennedy and V Simpson, being members of the committee of Humane Society International Inc., certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of Humane Society International Inc. during and at the end of the financial year of the association ending on 30 June 2017.

Signed:

Dated:

Signed:

Dated:

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Humane Society International Inc. (the association), which comprises the statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Humane Society International Inc. is in accordance with the *Associations Incorporation Reform Act 2012* (Vic), including:

- i. giving a true and fair view of the association's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii. that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

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 association in accordance with 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 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.

Information Other than the Financial Report and Auditor's Report Thereon

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2017, 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 the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012* (Vic) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee 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 the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 association's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee'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 association'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 association 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 the committee 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.

Auditor's name and signature:

Dean C. Wilcock

Name of firm: LOWY WILCOCK & CO

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

Dated this _____ day of _____ 2017

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, M Kennedy of 5/27 Old Barrenjoey Rd, AVALON NSW,
I, V Simpson of 5/27 Old Barrenjoey Rd, AVALON NSW, certify that:

- a. We attended the annual general meeting of the association held on _____; and
- b. The financial statements for the year ended 30 June 2017 were submitted to the members of the association at the annual general meeting.

Dated this day of 2017

M Kennedy - President

V Simpson - Treasurer

HUMANE SOCIETY INTERNATIONAL INC.
ABN: 63 510 927 032
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
INCOME		
Operating activities:		
Donations	1,825,712	1,939,579
Other revenue from operating activities	36,922	12,777
Humane Choice	7,664	11,218
Bequest Income	190,580	1,320,739
Non-operating activities:		
Interest	20,387	4,945
RDMF	-	335
	<u>2,081,264</u>	<u>3,289,592</u>
EXPENDITURE		
Bank charges	15,071	12,906
Depreciation expense	7,425	13,646
Seminars and publications	59,511	101,181
Education	5,470	11,401
Fundraising	209,349	193,641
Membership	11,260	3,234
Program Expenditures	1,139,661	1,045,855
Project Payments	689,373	859,338
Warriwillah' Holding Cost	1,076	4,878
Other expenses from ordinary activities	224,045	197,882
	<u>2,362,241</u>	<u>2,443,960</u>
Current year surplus before income tax	(280,977)	845,632
Income tax expense	-	-
Current year surplus after income tax	<u>(280,977)</u>	<u>845,632</u>

This report comes after several devastating disasters. Hurricanes Irma and Maria pounded the Caribbean and Mexico was hit by two massive earthquakes. As we all watched our televisions at the horror unfolding, HSI teams deployed to provide urgent care for animals while working closely with humanitarian groups.

We are proud to report on those efforts, along with updates on our fight against the **cruel trade in donkey skins** and our work to prevent the Australian Government from creating a donkey market to feed the voracious appetite stemming from China.

We remain committed to eradicating illicit global trade in wildlife as well as rescuing individual animals from human exploitation. Upliftingly, we report on Gajraj the elephant who, after years of abuse, now **enjoys sanctuary life thanks to your generosity.**

As we begin enjoying our beaches, HSI continues to fight to preserve our precious marine parks. And we take up a new battle with legal action to **prevent senseless shark culling** in the Great Barrier Reef.

As noted in our covering letter, HSI's Founding Directors, **Verna Simpson and Michael Kennedy, are relinquishing their guiding roles for a more peaceful life.** It has been an extremely fruitful and effective 23 years fighting for animals and their environments, and we wish them well. Verna and Michael will continue to advise HSI in the immediate future and help our new **CEO, Erica Martin,** settle in.

Facing a busy 2018, we can only tackle it with your support. Thank you for helping us make a stand for the animals—**HSI promises not to give up.**



**HUMANE SOCIETY
INTERNATIONAL** 2017

campaignreport

A photograph of two brown dogs with white chests looking through the rusty metal bars of a cage. The dogs are positioned on either side of the frame, their faces pressed against the bars. The background is blurred, showing more of the cage and some indistinct shapes.

Dogs aren't dinner

Cruelty is endemic in the commercial dog meat industry. Captured dogs, many being stolen pets, are kept in appalling conditions without food or water and stuffed so tightly that many suffocate on the way to slaughter.

By working with local NGO's we have successfully shut several Korean dog farms and seen a reduction in dog meat consumption generally.

We have also had significant impact on China's dog meat trade as we work with local groups to increase understanding and compassion for animals. And we are building pressure to end horrific events like the infamous Yulin dog meat festival.

HSI is also working to end this cruel trade in Vietnam, India, the Philippines and Indonesia.



Welcome home Gajraj

Seeing any new arrival at the Elephant Care and Conservation Centre (ECCC) in India is always a heart-warming moment, but there was something extra special as Gajraj, freed from some 51 years in captivity, stepped into his new home.

He was rescued by our Indian partners, Wildlife SOS, from a temple where he was used in processions and chained for long periods of time. Being 70, and having endured over five decades of suffering, he requires ongoing medical treatment, feeding, and lifetime care from the Wildlife SOS team at the ECCC.

Gajraj means 'King of the Elephants' and he lives up to it in showing signs of improvement since getting daily nutritional supplements and treatment for painful abscesses on a hip.

Sadly, he has developed osteolytic changes in the bones in his toes. The condition is chronic and incurable, but Wildlife SOS' vets will try to prevent its deterioration. Meanwhile, he delights in rehabilitational-walks with his mahout.

You helped us with our first elephant rescue, Champa, back in 2010. Now 27 elephants enjoy a comfortable retirement thanks to the extraordinary work of the ECCC.



Thanks to the generosity of you, our invaluable supporters, our beloved Champa lived out his days in peace and Maya continues to thrive at the sanctuary.

Vietnam is a hotspot for wildlife trafficking which is why HSI has a long term partnership with Education for Nature Vietnam (ENV).

The fearless ENV team works with local authorities to capture and prosecute wildlife criminals. Recent wins include jailing an online trader caught with nine otters, a black-shanked douc langur and other endangered animals after a sting operation by Ho Chi Minh City Police and ENV.

ENV has also been removing exotic species from menus across Vietnam. A restaurant was discovered serving endangered pangolins, porcupine, civet, spot-billed duck, common coot and monitor lizards; all now strictly off the menu after ENV reported it to authorities.

Many animals also end up as exotic pets so ENV educates people about legal and cruelty issues. **Of 68 pet macaques reported to ENV (in just four months) 42 have been placed in rescue centres or released.**

HSI will continue fighting the cruel and unsustainable trade in wildlife and supporting local partners like ENV as they reduce demand, promote enforcement and facilitate prosecutions of illegal traders.



Not pets and not for the plate

*Lion-tailed
macaque*



HSI knows how to play the long game

We were thrilled to be notified of the protection of two National Heritage places early in the year, from HSI nominations made way back in 2006.

While a decade's delay is hardly ideal, it was well worth the wait. Both the Lesueur National Park and Fitzgerald River National Park are within the Southwest Western Australia global biodiversity hotspot and recognised as two of the country's most important reserves for plant conservation.

Lesueur National Park is around 220 kilometres north of Perth between Green Head and Jurien Bay and supports diverse flora, with over 900 species found inside the park's 27,235 hectares. Even more impressively, upwards

of 1,750 plant species have been identified in the nearly 300,000 hectares of Fitzgerald River National Park, which is between the towns of Bremer Bay and Hopetoun, some 400 kilometres south-east of the state's capital.

In both places, poor soils have proven a catalyst for floral evolution with plants developing a number of unique mechanisms to access and utilise nutrients. And they're not just important for plants; Fitzgerald River National Park woodlands are one of few remaining breeding habitats for nationally endangered Carnaby's black cockatoos.

When it comes to protecting the most important ecosystems, HSI is in it for the long haul.

900 species, 27,000 hectares

1,750 species, 300,000 hectares

Humane Society International is pleased to give sharks their day in court. After years of battling against senseless cullings, we will challenge them in legal circles. Our case will argue against a 10 year permit to kill 26 species of shark on 173 lethal drumlines in the Great Barrier Reef (of all places).

Baited hooks on these lines kill many harmless sharks including hammerheads and black tip reef sharks. Even the targeted tiger shark is suffering population decline as a result with untold impacts on fragile reef ecology.

Having submitted our expert evidence we expect a hearing in February and hope it will lead to humane, non-lethal ways to deal with the small risk of shark attack.

We thank our supporters for lobbying the federal Environment Minister to protect hammerhead sharks as endangered species. We should see the minister's decision by year end and hopefully it will stop these incredible animals being slaughtered here for shark fin soup in Asia.

Meanwhile, the HSI marine team will be persuading countries at an October meeting of the UN Convention for Migratory Species to upgrade international protections for dusky, blue, angel and whale sharks. We will then ensure Australia honours those protections.

If you haven't already, visit our website to support better protection for sharks, internationally and in our waters: **hsi.org.au**

Sharks in court to avoid being caught



A large albatross is captured in mid-flight over a deep blue ocean. The bird's wings are fully extended, showing dark feathers on the upper side and white on the underside. Its feet are tucked under its body, and a significant splash of white water is visible around them, suggesting it has just landed or is about to. The background is a vast expanse of blue water with gentle ripples.

Protection above

and below the surface

We are still exploring legal avenues in Australia to recover the million dollar fine levied against the Japanese whalers. Unfortunately the Japanese parliament legislated this year to continue their devastating pro-whaling position and invest in a new ship for their Antarctic hunt. We can only hope this financial penalty will knock them off course.

Closer to home, Australian **sea lions are still under threat from cruel gillnets** but thanks to HSI legal action we have secured several fishing closures where they can take refuge. Our nomination to upgrade legal protection for the sea lion is still pending.

A similar fishing closure strategy now exists for dolphins, at risk from gill and trawl nets, and we are monitoring it.

HSI's seasoned albatross defender, Nigel Brothers, joined other experts in assessing the status and trends for **albatross and petrel populations** during a September meeting in New Zealand.

Our frustration with tuna longline fisheries grows as these magnificent ocean wanderers slide to extinction on hooks. **Sadly, the Australian Government is looking away so we need your voices as we stand up for seabirds.**



Faultline or flood, HSI is on the frontline

As we go to print, HSI's disaster response teams have been sorely tested. Our American affiliate, HSUS, was deployed following Hurricane Harvey's unprecedented flooding in Houston. It rescued scores of animals from rising waters, reuniting them with desperate owners.

Simultaneously, the team worked frantically to relocate animals as Hurricane Irma bore down on Florida. Hundreds were moved from harm's way, including 400+ wild animals from our rehabilitation centre in Fort Lauderdale.

In Mexico, our team was just finishing life-saving work (caring for 800+ animals in Morelos state following a huge earthquake) when Mexico City shook in a deadly magnitude-8 quake. With no time to rest the team


immediately shifted to working with local groups in providing emergency food and vet care.

And then came Maria. Our rapid response teams were already on the ground in the British Virgin Islands, working with Royal Caribbean cruise lines to take critical supplies to the severely impacted island of St Martin (following Irma) when Maria smashed into Puerto Rico.

Those same brave, indefatigable rescuers continue to work through the Humane Puerto Rico program to provide assistance to lost, injured and terrified dogs, cats and even horses on the island of Vieques.

We salute these animal heroes and you, the donors, whose generosity makes our response possible.





Every birth is a victory but every day is a threat

HSI Australia has been supporting vital protection for the eastern lowland gorilla (or Grauer's gorilla) in the Democratic Republic of the Congo for many years. Our backing, along with our friends at the Born Free Foundation, has been a game-changer for specific gorilla populations in the Kahuzi-Biega National Park.

By resourcing the Congolese wildlife authorities we have seen important population increases — and our work has been recognised by the Congolese Government.

Highly trained staff monitor 12 gorilla groups monthly in the Tshivanga highland sector of the 600,000 hectare

(1.5 million acre) park. Each group is followed daily to account for its safety and record births. Such intense monitoring is essential as poaching is a constant danger, both to the gorillas and their rangers.

We also support two Kahuzi-Biega National Park vets, trained by the famous *Gorilla Doctors*. They remove snares and treat gorilla injuries and illnesses.

Thanks to the generosity of HSI supporters, the lowland gorillas' situation in Kahuzi-Biega National Park is improving so the park authorities, rangers and vets can keep counting on HSI.

2017 has been ground-breaking for HSI's Wildlife Land Trust (WLT). Along with the network celebrating a decade of supporting landholders who provide habitat for wildlife, we added 80+ new sanctuaries, passing a membership milestone of 500 sanctuaries nationwide.

These dedicated stewards who provide refuges, for rare and common species alike, now total 62,000 hectares of wildlife-friendly land—that's over **four times the size of Sydney's Royal National Park.**

WLT similarly provides a crucial safeguard for our most threatened species, with over two-thirds of members' sanctuaries within globally recognised biodiversity hot-spots, and the same number again within the continental-scale Great Eastern Ranges conservation corridor.

Our **Sanctuaries You Can Stay program** has shown great growth, with more than 30 WLT sanctuaries promoting their eco-accommodation with wildlife experiences through our website and newsletters.

WLT certainly brings out the best in its dedicated membership. With our already battered biodiversity under increasing pressure nationally, this rapidly growing network will play an ever-more important role in protecting wildlife and their habitats. Our members continue to inspire us.

wildlifelandtrust.org.au

A growing concern



HUMANE SOCIETY INTERNATIONAL
WILDLIFE LAND TRUST

Getting better standards for farm animals is chief among our domestic campaigns. However, often neither the industry or government shows interest in animal welfare and each of our gains is hard-fought. Although change is often incremental, we can't and won't let them down.

A new standard for Australia's free range eggs shows just how little Government cares about animal welfare. Ignoring solid CSIRO science behind the 1500-per-hectare stocking density for free range poultry, and its overwhelming consumer support, Government bumped the stocking density by a whopping 600% based on a bogus round of public submissions.


Of the thousands received only 14 submissions backed increasing stocking density. And each was from large egg producers and retailers who will profit from the suffering of **definitely-not-free-range** chickens.

By contrast the free range pork standard that HSI lobbied for in Australia is now the world's best. Unlike eggs there was no Government interference and despite some tense negotiations, if you are buying free range pork certified by Australian Pork Limited, the pigs have lived outdoors in family groups.

These piggy pioneers of the free range industry worked hard to establish a farming system that treated animals and the environment with respect and they now have a product that is both ethical and in demand.

Sadly, **large egg producers got their mate Barnaby Joyce to shift the goal posts** rather than convert to genuine free range hens. Don't be fooled by their phony labelling.

Look for adherence to a **1500 density** on your egg cartons



Thousands
of submissions
sent but only
14 counted

Donkeys sought for the new 'ivory'

Escalating demand for a traditional Chinese medicine (ejiao) is having devastating effects on worldwide donkey populations—affecting peoples' livelihoods and creating shocking animal welfare implications.

Ejiao (*pronounced e-gee-yow*) uses a gelatinous substance extracted from mature donkey skins. Historically, it was the preserve of China's emperors but is now in both traditional medicine and luxury skincare products. An escalating demand has seen domestic donkey populations dive so they have gone overseas.

Rural African communities—reliant on the animals for farming, transport and survival—have been targeted. As the value of hides has doubled (or more), donkeys are being stolen after dark, kept in appalling conditions, tethered and left to die slow and cruel deaths just for their valuable hides.

HSI has long worked to protect donkeys worldwide

so we are determined to stem the ejiao trade. In surveying China's ejiao users we are looking to educate consumers about the empty health promises and cruel consequences of this product.

Globally, there are some 44 million donkeys but last year a staggering 1.8 million skins were traded for ejiao. And it is feared that another four to 10 million may die each year.

Alarming, China has approached Australia in search of more hides and the **Northern Territory government is considering cashing in by farming feral donkeys.**

Exporting live donkeys to China has also been considered but this heinous idea seems off the table for now.

HSI plans to keep the pressure on our Government to ensure we don't feed this cruel, unnecessary trade and we will keep working with our friends at The Donkey Sanctuary (an international animal welfare and rescue charity) to stamp out global demand.

ONE-OFF (tax deductible) donation

XMAS17

I wish to make a tax deductible **Donation** of:

☐ \$1000 ☐ \$500 ☐ \$250 ☐ \$100 ☐ \$50 ☐ \$25 Other: \$ _____

I am paying by: ☐ Mastercard ☐ Visa ☐ American Express
☐ Cheque ☐ Money Order

Card number: _____

Name on card: _____

Signature: _____

Expiry date: _____

Address: _____

Postcode: _____

Phone: _____

Email: _____

☐ Please send me (quantity) _____ **Counter Packs** (25 brochures/1 stand) so I can distribute.

☐ Please send me information on **Making a Bequest** to HSI.

OR

REGULAR MONTHLY (tax deductible) donation

XMAS17

I wish to make a tax deductible **Regular Monthly Donation** of:

☐ \$25 ☐ \$50 ☐ \$100 ☐ \$250 Other: \$ _____

per month until further notice. I understand that this payment can be stopped by me at any time.

I am paying by: ☐ Mastercard ☐ Visa ☐ American Express

Card number: _____

Name on card: _____

Signature: _____

Expiry date: _____

OR please send me information on **Direct Debit** from my bank account:

Address: _____

Postcode: _____

Phone: _____

Email: _____

Please mail this form to:

Humane Society International PO Box 439 Avalon, NSW 2107

Email: admin@hsi.org.au Freecall: 1800 333 737 Fax: 02 9973 1729

You can also donate by telephone – freecall 1800 333 737 – or visit: hsi.org.au • Your support is invaluable, thank you

By using ecoStar Silk rather than a non-recycled paper the environmental impact was reduced by:
1,412kg of landfill • 55,080 litres of water • 3,236 kWh of electricity • 190kg CO₂ + greenhouse gases • 2,295 kg of wood

Source: European BREF (data on virgin fibre paper). Carbon footprint data audited by the Carbon Neutral Company. Results are according to technical information and subject to modification.