

ANNUAL REPORT 2007-08

Your Committee Members submit the financial report of the Cat Protection Society of NSW Inc for the financial year ended 31 May 2008.

Committee Members

The details of Committee Members of the association in office during or since the end of the financial year are:

Ms Rhonda House, President (attended 8/8 meetings)
Ms Suzanne Jenkins, Vice-President (attended 7/8 meetings)
Mrs Nita Harvey, Treasurer (attended 8/8 meetings)
Mrs Angelika Elliott, Secretary (attended 6/8 meetings)
Ms Carrie-Anne Finch (attended 7/8 meetings)
Ms Linda Gordon-Squire (did not seek re-election; attended 2/3 meetings)
Ms Danielle van den Bosch (resigned August 2007; attended 1/1 meeting)
Ms Jan Morley (elected AGM 2007; attended 3/4 meetings)
Dr Dagmar Strohmaier (elected AGM 2007; attended 2/4 meetings)

Principal activities

The principal activities of the association during the financial year were (1) to provide care for lost, abandoned and unwanted cats and kittens; (2) to provide care for injured cats and kittens without an identifiable owner; and (3) to find the original or new owners for the cats and kittens described above. The secondary purposes of the association are (4) to educate the community about socially and environmentally responsible cat care; and (5) to promote and improve cat welfare.

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

Significant changes

A special general meeting was held on 2 June 2007 to amend the Rules and Objects of the association to make explicit the purposes of the association and to amend the rules of the association to achieve tax deductibility. The resolution was unanimously passed.

Freehold land and buildings were revalued at 16 May 2008 by an independent qualified valuer, Richard Ware of Richard Ware Real Estate at Glebe Point. Freehold land has been revalued to \$346,000 and buildings to \$754,000, resulting in an increase in the Asset Revaluation Reserve of \$243,298.

Operating result

The loss from ordinary activities after providing for depreciation amounted to \$257,413.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or state of affairs of the association in future financial years.

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

Rhonda House

Nita Harvey

Dated this 27th day of September 2008



Message from the President

Accommodation shortages, hard economic times and the failure by most councils to provide feline welfare services have had a devastating impact on cats.

Cat Protection experienced a record 45 per cent increase in the number of cats and kittens surrendered in 2007-08 (2,625 compared with 1,800 the previous year) and a decrease in the number of cats and kittens adopted (1,000 compared with 1,200 the previous year). Most of the cats surrendered were strays, but many were owned cats abandoned or surrendered due to housing problems and many were unwanted litters of kittens born to undesexed owned cats.

Where in previous years our shelter rehomed two-thirds of all cats, 2007-08 saw that figure reversed. It was without doubt the worst kitten season and Cat Protection was not alone in its experience.

As well as the tragic impact on cats, and the emotional toll this took on staff and volunteers, the record demand led to significantly increased expenditure on staff. There were many additional cattery staff hours (casual and permanent) necessary to care for the increase in cats. On top of increased expenditure, we had reduced income as fewer people paid surrender and adoption fees.

Because council pounds would insist on payment of a fee, many people brought cats and kittens to Cat Protection instead. Many pounds and councils refer ratepayers to Cat Protection without even attempting to assist their resident. One person was told by her council to 'ignore' the stray cats living and breeding in her yard and others have been advised that their councils can do nothing for cats as cats are 'allowed to roam' and 'they are probably owned' (but how could council know this unless they have scanned the cats for microchips?). Outrageously, there are still council pounds selling undesexed kittens, meaning they are actively contributing to feline overpopulation.

Sydney's accommodation shortage and the number of apartments (owners' corporations) and landlords who refuse pets had a significant impact on adoptions and surrenders. Cat Protection dealt with countless people in tears because their cats were no longer allowed to live with them. In many parts of Sydney, rising interest rates led to mortgage foreclosures and we had calls about abandoned cats from Sheriff's officers, real estate agents and neighbours. It was a desperate time for people and their companion animals.

The worsening economy continues to cause suffering to cats, with people putting off desexing their cats, creating more kittens who will struggle to find homes. We also know of people who see their companion animals as 'luxury items' and rather than cut back on entertainment or unnecessary expenditure, have relinquished their pets. On the other side, there are people who will give up basic needs themselves to continue to care for their beloved companion animals.

In this crisis, Cat Protection has had to take steps to protect as many cats as we can while helping the people who love them and protecting our own viability. We cannot continue to provide unlimited services on a limited income.

Cat Protection is a charity, with 98 per cent of our funds coming from donations, bequests and our own sources. A state government grant provides for less than two per cent of our operating expenditure. We cannot afford to provide – and nor should we be expected to pay for – the services that councils or others should be providing.

We will continue to operate an open shelter, but with limited capacity. Our shelter can only house fewer than 90 cats at any one time and our resources are limited, so when we're full we strongly encourage clients to pursue alternative avenues for surrendered owned or stray cats. If all other avenues have been exhausted and our shelter is full when the cat is brought to us, our options are limited.

We don't discriminate between owned or unowned cats: our decision about whether or not we are in a position to accept a cat is based on whether or not our shelter is full. Some shelters refuse stray cats. We find most stray cats friendly and lovable and, with veterinary treatment and our professional care, healthy.

By managing our intake, we will be better able to manage our human and financial resources and ensure a sustainable future for Cat Protection.

Feline overpopulation and homelessness are big problems that cannot be solved by charities alone.

We need support and government action on preventative strategies like banning the sale of undesexed kittens (and ideally, a framework such as that proposed by the Independent Member for Sydney, Clover Moore, which would regulate the sale of all cats and dogs). We need all local councils – not just a select few – to acknowledge their responsibility for companion animals in the community and to use their resources to promote and enable animal welfare.

We need owners' corporations and landlords to be pet-friendly. We need people to be loving *and* responsible cat owners. We need to end the tragic loss of feline life that results from ignorance and irresponsibility.

Thank you for your membership and support. Together we are making a positive difference to thousands of lives – human and feline – every year. There are many good news stories in this annual report, and despite the exceptionally challenging year, we've made some great steps forward and, with your ongoing help, we'll continue to do so.

Rhonda House
President



Overview – who we are and what we do

The Cat Protection Society of NSW Inc is an association incorporated under the NSW *Associations Incorporation Act 1984*. We are non-profit and authorised to raise funds for our charitable purposes, and donations to Cat Protection are tax deductible. We have full-time equivalent paid staff of about 14; are governed by an elected volunteer Committee (Board of Directors); and our work is helped by the efforts of more than 80 volunteers who work in the Op Shop, the cattery, or provide foster care for young kittens and their mothers. Additionally, our members act as ambassadors for the cause, promoting responsible cat ownership and desexing in their own communities and networks.

We provide a wide range of services and products, including:

- Free information and advice on cat care, health and behaviour, and feline welfare issues (via telephone, our website and in person)
- Community information and education promoting feline welfare (for example, via media, community fair days and our own events such as the photography exhibition and our Open Day)
- Affordable cat care products and accessories
- Cats and kittens for adoption
- Discount desexing referral service for cat owners on low incomes/pensioners
- Discount pick-up service for desexing (and microchip if needed) for low-income earners/pensioners who do not have access to transport (western and south-western Sydney)
- Admission of surrendered owned or unowned cats to our shelter
- Reuniting identified lost cats with their owners
- Responding to reports of cats at risk (eg injured cats)
- Free education seminars for schoolchildren and community groups
- Kitten kindy – information sessions for a small fee for new cat owners
- Advocating for feline welfare
- Partnership programs to promote feline welfare, eg Operation Cat
- Member information (*Cat Affairs/kids club*) and events.

Over the past 50 years we have helped tens of thousands of cats and kittens, and the people who love them.

We depend on the kind support of members and friends and the generous bequests left by cat lovers. We honour all our supporters through our daily efforts in caring for our beautiful feline friends.

Golden Anniversary

In 2008 we reached the milestone of 50 years of caring for cats. We celebrated this important anniversary by remembering our history and the dedicated people who built the organisation over the years, and toasting to their good works at our major Golden Anniversary event, a formal lunch at NSW Parliament House in June. The event raised \$10,000 and was attended by around 140 friends and members.

We're thrilled that aspects of our history will be on public display at the *Tails of the city* exhibition which will open at the Museum of Sydney later this year.

Sponsorship

We were delighted to welcome a new sponsor to Cat Protection for 2008 – Bayer Animal Health. Bayer provides us with flea and worm treatment for all the cats and kittens in our care.

We're also grateful for the ongoing sponsorship of Hill's Pet Nutrition, who provide food for all the cats and kittens in our care.

Both Hill's and Bayer have also provided us with gifts for customers, promotional products and fantastic support. Their kindness keeps our cats in great health.

Op Shop

Our Op Shop has had an outstandingly successful year, with a record income of \$149,533 (breaking last year's record \$134,943) which resulted in a net profit of \$120,042 (the Op Shop's expenses are rent, telephone and utilities). Congratulations to all the volunteers on this brilliant result!

In April, meetings with all Op Shop volunteers were held to explain new policies and procedures and to discuss any issues arising, including opportunities to improve.

Just after the reporting period, we learned that the Cat Protection's Op Shop had received a 'Best of Sydney' award – a well-earned accolade. The Op Shop was also featured in the ABC TV show, *The Collectors* in a segment on thrift shops in Newtown.

Community events and education

Cat Protection regularly attends fair days to promote feline welfare and educate the community about responsible cat care. In the reporting period, we had a presence at a number of events including the Willoughby Fauna Fair; Royal Easter Show; Holroyd PetFest; Rose Bay People and Pets Day; Newtown Festival and the Cruelty-Free Living festival at Petersham.

As well as participating in external events, we hold an annual Open Day. Last year this was on 7 October and we were privileged to have Michael Mountain from the US organisation Best Friends as our guest speaker. Our Education Officer, Nerida Atkin gave talks on cat care and there were activities for children. The day was a great success and more than 100 people attended.

On World Animal Day 2007, a moving non-denominational blessing service was conducted for our shelter by Reverend Dr David Millikan and Susan Murphy Roshi. The cats watched attentively as the prayers were made and Toby, our now 19 year old resident cat, joined in.

Our Education Officer gave a number of talks on cat care and welfare, to groups as diverse as school children, St John Ambulance Cadets, and nursing home resident and relative groups. She conducts our kitten kindy for new cat owners.

In addition to these activities, our welfare office deals with hundreds of telephone inquiries every week on all manner of feline issues, from litter training and behavioural problems, to dealing with stray cats and lost cats, to vet and boarding referrals. Every year, we help thousands of people and cats through our free telephone support service.

In May we held our first major photography competition and exhibition, Kitt-en-Kaboodle. With more than 250 entries and more than 100 people attending the opening night at the Buzzzbar Café in Newtown, the event was a major success and we have decided to make this an annual event. As well as celebrating the beauty of cats, and the joy of the cat-human bond, the event informs the community about the work done by Cat Protection and reminds people to be kind to cats. One of the aims of the event is to improve public perceptions of cats and thus improve feline welfare.

In October 2007, the CEO of Cat Protection presented a paper at the National Summit to End Pet Overpopulation, sponsored by the National Desexing Network. Information and papers from the Summit may be found at www.ndn.org.au.

Policy

In the period, a new Minister for Local Government was appointed and Cat Protection met with him; recent changes to the Cabinet have seen the portfolio change and it is now the responsibility of the Hon Barbara Perry, MP. A letter of introduction has been sent to the new Minister.

Correspondence with State Members of Parliament was sent supporting the Bill proposed by the Member for Sydney, Ms Clover Moore MP, to ban the sale of mammals in pet shops. The outcome of the Bill has not yet been determined but the debate around it has renewed political interest in the welfare of companion animals which is a good thing, and there is speculation that it may also lead to a Parliamentary inquiry which would also be a good result.

Cat Protection has corresponded with the Shadow Minister for Local Government, Mr Chris Hartcher MP, and provided comments on amendments to the Prevention of Cruelty to Animals Act.

Cat Protection provided comment to the Department of Local Government on the draft regulation and review of the Companion Animals Regulation 1999. Few substantial changes were proposed to the existing regulation and even fewer for cats. In our submission, we supported retention of the existing regulation as a minimum standard and, although outside the scope of the review, stated we would support further regulation aimed at curbing companion animal overpopulation.

We wrote to every Sydney metropolitan council asking for information about the services they provided for feline welfare and created a database of this information to better help people contacting us. Frustratingly, many councils abrogate their duty of care to felines so we do remind ratepayers that they can contact their local councillor or mayor to make the case for improvements.

Subsequent to the reporting period, Cat Protection made a submission to the Federal Department of Environment opposing the proposed importation of the Savannah cat. We were pleased that the decision made by the Minister was to ban the importation of the cat to Australia.

Media and marketing

Public awareness of Cat Protection and feline welfare are important to achieving the aims of the Society. Our expenditure on paid advertising is relatively small (\$10,511 this year against \$14,887 in 06-07), so unpaid editorial and complimentary advertisements are actively pursued.

We thank in particular our local paper, *The Glebe* for their regular promotion of our cats available for adoption, as well as their support of our organisation through coverage of stories such as kitten season and the photography exhibition. SX magazine is another great supporter of Cat Protection.

In the period, promotions for desexing and adoptions appeared in *The Glebe; The St George & Sutherland Shire Leader; SX; Go 55s; LOTL; Cherrie; The Daily Telegraph; Randwick, Kingsford & Kensington Leader; Paddington Times; Coogee & Maroubra Chronicle; Eastern Suburbs Spectator*. Many were run in conjunction with National Desexing Month, featuring the high-impact “They can’t count but they sure can multiply” advertisement. We thank the *Bargain Shoppers Guide to Sydney* for including a comprehensive listing about Cat Protection and our commitment to responsible cat ownership.

We had a number of letters to the editor, news stories and editorial published, in the *Sydney Morning Herald, The Daily Telegraph, Good Weekend magazine* and, with the assistance of Cantonese-speaking media students, a full page story on the importance of desexing published in the *Australian Chinese Daily*. We also had a story in the Herald’s Column 8 about a lovely cat, Ernest, who was abandoned at Wynyard Station (Ernest now has a loving new home). Our comments on a terrible story about eating feral cats were published in Melbourne’s Age newspaper.

From October to December 2007, all three commercial television stations screened our community service announcement, “Too many kitties” – the CSA ran nearly 200 times for which we are most grateful. You can view this beautiful animation promoting desexing on the home page of our website.

Channel 7’s Better Homes and Gardens program ran a segment with Dr Harry visiting Cat Protection and talking about the benefits of adopting an older cat, and the story was also featured in the Better Homes and Gardens magazine. Community television station TVS-31 program Yianni’s City Life screened two stories about Cat Protection.

Our website has been very popular with people looking for cats to adopt, and has also led to many donations, volunteer and membership applications, as well as inquiries about general cat issues. New material is continually added to the website, for example recently we published the NSW Young Lawyers Animal Rights Committee publication “A guide to keeping pets in strata schemes” and we have a number of new fact sheets on cat care.

Cat Protection speaks regularly on feline topics on the Southern Highlands community radio program, Furs Feathers and Fins, Highland FM 107.1.

Fundraising and bequests

Donations have more than doubled, reflecting the benefits of tax deductibility (\$130,676 in 07-08 against \$57,350 in 06-07) and the enormous generosity of our members. We thank you all.

We are honoured that so many kind people remember the cats in their Wills. Last year we received \$382,721 in bequest income (\$343,634 in 06-07). Without these legacies our operations would be severely restricted. We have information on our website about bequests, and we place an advertisement in the Charities Book, which is a resource for solicitors helping people plan their Wills. Sadly, bequests are often challenged so the most important thing in planning your Will is to ensure it is correctly drafted by a solicitor or

qualified person such as the Public Trustee and to make sure your family and friends understand and honour your testamentary wishes.

Our fundraising costs are minimal and reflect the basic costs associated with compliance such as administration and receipting, and nominal costs such as printing flyers that accompany *Cat Affairs*. In the period we joined Everyday Hero, a web-based program that facilitates individuals' fundraising efforts – for example, participants in the City to Surf seeking sponsors. We were delighted that several runners in the City to Surf nominated Cat Protection as their charity of choice.

The lives of all cats saved, desexed and rehomed honour our kind supporters, past and present.

Staff and volunteers

Cat Protection could not do what we do without our volunteers, but we couldn't do it with volunteers alone. The Board is responsible for the overall governance of Cat Protection, and accountable to the Board is the CEO, who is responsible for the day-to-day management of the organisation (human & financial resource management; external relations; policy; compliance; publications; and fundraising) as well as working with the Board on future strategy and planning. The Corporate Services Manager looks after building and other services (eg maintenance, service providers, stock control, book-keeping, OH&S) as well as coordinating the Op Shop and cattery volunteers.

The Cattery Manager is responsible for ensuring the health and wellbeing of all cats on site, arranging veterinary treatment as necessary and supervision of cattery staff, as well as direct cat care. The Assistant Cattery Manager supports the Cattery Manager, creating profiles on cats for adoption and looking after the foster care program, as well as providing direct cat care. Permanent and casual cattery attendants provide direct cat care, cleaning and administration as well as assisting clients with adoptions.

Our welfare office of three full-time and two-part time staff manages hundreds of telephone inquiries every week; picks up cats for desexing and arranges desexing referrals; responds to welfare emergencies; organises education and marketing events and kitten kindy; administers membership; manages sales and merchandise; receives surrendered and abandoned cats; reunites lost cats with their legal owners; and manages the website.

Volunteers assist with the Op Shop; cattery cleaning; foster-caring for mothers and kittens; grooming and socialising cats; and occasional clerical assistance.



**THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE CAT PROTECTION SOCIETY OF
NSW INC**

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2008 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LOWER RUSSELL AND FARR
Chartered Accountants

T J Zammit
Partner

26 September 2008
81 Henry Street,
Penrith NSW 2750

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MAY 2008

	Notes	2008 \$	2007 \$
Revenue from ordinary activities	2	1,053,770	1,010,375
Employee benefits expense		(649,657)	(511,847)
Depreciation and amortisation expenses	3	(35,431)	(37,120)
Advertising		(10,511)	(14,887)
Boarding Charges		(20,412)	(42,641)
Cattery		(36,276)	(53,274)
Microchips		(11,330)	(16,350)
Merchandise		(89,417)	(67,091)
Motor vehicle expenses		(21,794)	(23,695)
Office supplies, printing and stationery		(33,626)	(32,785)
Op shop expenses		(29,491)	(30,088)
Veterinary expenses		(182,311)	(299,477)
Other expenses from ordinary activities		(190,927)	(96,432)
Loss from ordinary activities		<u>(257,413)</u>	<u>(215,312)</u>
Loss attributable to members		<u><u>(257,413)</u></u>	<u><u>(215,312)</u></u>

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

BALANCE SHEET
AS AT 31 MAY 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	4	724,273	1,121,321
Receivables	5	23,050	26,507
Inventories	6	10,055	12,458
Other financial assets	8	436,165	250,000
Other	7	<u>17,599</u>	<u>23,974</u>
TOTAL CURRENT ASSETS		<u>1,211,142</u>	<u>1,434,260</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>1,161,377</u>	953,510
TOTAL NON-CURRENT ASSETS		<u>1,161,377</u>	<u>953,510</u>
TOTAL ASSETS		<u>2,372,519</u>	<u>2,387,770</u>
CURRENT LIABILITIES			
Payables	10	56,283	69,562
Interest-bearing liabilities	11	1,449	-
Provisions	12	<u>29,049</u>	<u>18,370</u>
TOTAL CURRENT LIABILITIES		<u>86,781</u>	<u>87,932</u>
TOTAL LIABILITIES		<u>86,781</u>	<u>87,932</u>
NET ASSETS		<u>2,285,738</u>	<u>2,299,838</u>
EQUITY			
Reserves	13	433,436	190,138
Retained profits	14	<u>1,852,302</u>	<u>2,109,700</u>
TOTAL EQUITY		<u>2,285,738</u>	<u>2,299,838</u>

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2008

	Notes	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Operating grant receipts		15,500	15,500
Donations received		130,676	57,350
Other receipts		859,998	857,142
Payments to suppliers and employees		(1,225,488)	(1,176,782)
Interest received		<u>51,053</u>	<u>70,966</u>
Net cash used in operating activities	18(b)	<u>(168,261)</u>	<u>(175,824)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	364
Payment for property, plant and equipment		-	(42,614)
Payment for investments		<u>(250,000)</u>	<u>(250,000)</u>
Net cash used in investing activities		<u>(250,000)</u>	<u>(292,250)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from memberships		<u>21,213</u>	<u>15,385</u>
Net cash provided by financing activities		<u>21,213</u>	<u>15,385</u>
Net decrease in cash held		(397,048)	(452,689)
Cash at beginning of financial year		<u>1,121,321</u>	<u>1,574,010</u>
Cash at end of financial year	18 (a)	<u><u>724,273</u></u>	<u><u>1,121,321</u></u>

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of New South Wales.

The financial report is for the entity The Cat Protection Society of NSW Inc as an individual entity. The Cat Protection Society of NSW Inc is an association incorporated in New South Wales under the Associations Incorporation Act 1984.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report.

(a) Income Tax

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

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the association to have an independent valuation every three years, with annual appraisals being made by the committee of management. The most recent valuation of the property was completed on 16th May, 2008 by an independent qualified valuer, Richard Ware of Richard Ware Real Estate at Glebe Point.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the association commencing from the time the asset is held ready for use.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Buildings	2.5 %	Straight Line
Plant and equipment	10 - 20 %	Straight Line
Motor Vehicles	22.5 %	Diminishing Value
Office Equipment	10 - 40 %	Straight Line

THE CAT PROTECTION SOCIETY OF NSW INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors' to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(e) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash

Cash and cash equivalents include 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.

(g) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

(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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(i) Comparative Figures

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

(j) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The entity has prepared the financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS), where appropriate.

(k) Receivables

Trade receivables are recorded at amounts due less any provision for doubtful debts.

(l) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make any future payments resulting from the purchase of goods and services.

(m) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when the incorporated body 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.

	Note	2008 \$	2007 \$
NOTE 2: REVENUE			
Operating activities			
- sale of goods (net)		129,233	152,152
- rendering of services		245,913	209,845
- interest	2(a)	51,053	70,966
- other revenue		<u>627,571</u>	<u>577,412</u>
		<u>1,053,770</u>	<u>1,010,375</u>
 (a) Interest from:			
- financial institutions		<u>51,053</u>	<u>70,966</u>
		<u>51,053</u>	<u>70,966</u>
 NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses			
Depreciation of non-current assets			
- Buildings		15,600	15,600
- Plant and equipment		6,414	6,324
- Motor vehicles		9,505	10,988
- Office Equipment		<u>3,912</u>	<u>4,208</u>
Total Depreciation		<u>35,431</u>	<u>37,120</u>
 Remuneration of the auditors for			
- audit or review services		7,455	6,365
- other services		<u>1,900</u>	<u>2,000</u>
 Unrealised loss on ANZ Private Investment Portfolio			
- Investments		63,835	-
 Operating lease rental			
		<u>26,500</u>	<u>23,409</u>
 (b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		<u>-</u>	<u>101</u>
 (c) Significant Revenues and Expenses			
Legacies received		382,721	343,634
Unrealised loss on ANZ Private Investment Portfolio		<u>(63,835)</u>	<u>-</u>

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

	Note	2008 \$	2007 \$
NOTE 4: CASH ASSETS			
Cash on hand		350	350
Cash at bank		603,005	1,010,971
Deposits at call		<u>120,918</u>	<u>110,000</u>
		<u><u>724,273</u></u>	<u><u>1,121,321</u></u>
NOTE 5: RECEIVABLES			
CURRENT			
Deposits paid		6,000	6,000
Government grants		17,050	17,050
Other debtors		<u>-</u>	<u>3,457</u>
		<u><u>23,050</u></u>	<u><u>26,507</u></u>
Other debtors represents GST credits paid.			
NOTE 6: INVENTORIES			
CURRENT			
Finished goods at cost		<u><u>10,055</u></u>	<u><u>12,458</u></u>
NOTE 7: OTHER ASSETS			
CURRENT			
Prepayments		17,559	23,934
Other current assets		<u>40</u>	<u>40</u>
		<u><u>17,599</u></u>	<u><u>23,974</u></u>
Other current assets represents an electricity deposit.			
NOTE 8: OTHER FINANCIAL ASSETS			
(a) Market value of financial assets			
ANZ Private Portfolio		<u><u>436,165</u></u>	<u><u>250,000</u></u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At independent valuation as at 16/5/2008 (2007 - 13/1/2004)		<u><u>346,000</u></u>	<u><u>301,000</u></u>
BUILDINGS			
At independent valuation as at 16/5/2008 (2007 - 13/1/2004)		754,000	624,000
Less accumulated depreciation		<u>-</u>	<u>(52,698)</u>
		<u><u>754,000</u></u>	<u><u>571,302</u></u>
Total land and buildings		<u><u>1,100,000</u></u>	<u><u>872,302</u></u>

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

	Note	2008 \$	2007 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		63,968	63,968
Less accumulated depreciation		<u>(35,541)</u>	<u>(29,127)</u>
		<u>28,427</u>	<u>34,841</u>
(b) Motor vehicles			
At cost		98,353	98,353
Less accumulated depreciation		<u>(68,885)</u>	<u>(59,380)</u>
		<u>29,468</u>	<u>38,973</u>
(c) Office equipment			
At cost		31,670	31,670
Less accumulated depreciation		<u>(28,188)</u>	<u>(24,276)</u>
		<u>3,482</u>	<u>7,394</u>
Total plant and equipment		<u>61,377</u>	<u>81,208</u>
Total property, plant and equipment		<u>1,161,377</u>	<u>953,510</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold land \$	Buildings \$	Plant & equipment \$	Motor vehicles \$
2008				
Balance at the beginning of the year	301,000	571,302	34,841	38,973
Depreciation expense	<u>-</u>	<u>(15,600)</u>	<u>(6,414)</u>	<u>(9,505)</u>
Carrying amount at end of year	<u>301,000</u>	<u>555,702</u>	<u>28,427</u>	<u>29,468</u>
	Office equipment \$	Total \$		
2008				
Balance at the beginning of the year	7,394	953,510		
Depreciation expense	<u>(3,912)</u>	<u>(35,431)</u>		
Carrying amount at end of year	<u>3,482</u>	<u>918,079</u>		

THE CAT PROTECTION SOCIETY OF NSW INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

	Note	2008 \$	2007 \$
NOTE 10: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		36,816	44,893
Sundry creditors and accruals		<u>19,467</u>	<u>24,669</u>
		<u>56,283</u>	<u>69,562</u>
Sundry creditors and accruals includes superannuation accrual of \$9,628; audit accrual of \$8,200 and GST collected of \$1,639.			
NOTE 11: INTEREST BEARING LIABILITIES			
CURRENT			
Unsecured liabilities			
Credit card accounts		<u>1,449</u>	<u>-</u>
NOTE 12: PROVISIONS			
CURRENT			
Employee benefits	12(a)	<u>29,049</u>	<u>18,370</u>
(a) Aggregate employee benefits liability		<u>29,049</u>	<u>18,370</u>
(b) Movement in current provisions:			
			Employee benefits
2008			
Carrying amount at beginning of period			18,370
Additional provisions recognised during the period			<u>10,679</u>
Carrying amount at reporting date			<u>29,049</u>
NOTE 13: RESERVES			
Asset revaluation reserve	(a)	<u>433,436</u>	<u>190,138</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		190,138	190,138
Movement due to revaluations		<u>243,298</u>	<u>-</u>
Closing balance		<u>433,436</u>	<u>190,138</u>
The asset revaluation reserve records revaluations of non-current assets			
NOTE 14: RETAINED PROFITS			
Retained profits at the beginning of the financial year		2,109,700	2,325,012
Net profit (loss) attributable to members of the entity		(257,413)	(215,312)
Rounding		<u>15</u>	<u>-</u>
Retained profits at the end of the financial year		<u>1,852,302</u>	<u>2,109,700</u>

THE CAT PROTECTION SOCIETY OF NSW INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

	Note	2008 \$	2007 \$
NOTE 15: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		26,000	23,636
- later than one year and not later than five years		10,833	70,908
- later than five years		<u>-</u>	<u>33,484</u>
		<u><u>36,833</u></u>	<u><u>128,028</u></u>
General description of leasing arrangement:			
Opportunity shop premises			

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

Apart from those noted elsewhere in this report, the entity has no contingent assets or contingent liabilities.

NOTE 17: SEGMENT REPORTING

The economic entity operates predominantly in the animal welfare segment. The principal activities of the entity are (1) to provide care for lost, abandoned and unwanted cats and kittens; (2) to provide care for injured cats and kittens without an identifiable owner; and (3) to find the original or new owners for the cats and kittens noted above. The secondary purposes of the association are (4) to educate the community about socially and environmentally responsible cat care; and (5) to promote and improve cat welfare. The economic entity operates predominantly in one geographical segment, that being Sydney and outer areas, New South Wales.

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

	Note	2008 \$	2007 \$
NOTE 18: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		350	350
Cash at bank		603,005	1,010,971
At call deposits with financial institutions		<u>120,918</u>	<u>110,000</u>
		<u><u>724,273</u></u>	<u><u>1,121,321</u></u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Deficit from ordinary activities after income tax		(257,413)	(215,312)
Non-cash flows in profit from ordinary activities			
Depreciation		35,431	37,120
Net (gain) / loss on disposal of property, plant and equipment		-	(101)
Net (gain) / loss on writedown of investments		63,835	-
Income from membership		(21,213)	(15,385)
Manual adjustment		15	-
Changes in assets and liabilities			
(Increase)/decrease in receivables		3,457	(9,417)
(Increase)/decrease in other assets		6,375	(8,479)
(Increase)/decrease in inventories		2,403	1,669
Increase/(decrease) in payables		(11,830)	26,856
Increase in provisions		<u>10,679</u>	<u>7,225</u>
Cash flows from operations		<u><u>(168,261)</u></u>	<u><u>(175,824)</u></u>

NOTE 19: MEMBERS' LIABILITIES

The liability of a member of the association to contribute towards the payment of the debts and liabilities of the association or the costs, charges or expenses of the winding up of the association is limited to the amount, if any, unpaid by the member in respect of membership of the association.

NOTE 20: NO DISTRIBUTION OF PROFITS

No income or property of the association may be paid or transferred, directly or indirectly to any member.

NOTE 21: WINDING UP OF GIFT FUND AND SURPLUS ASSETS ON WINDING UP OR DISSOLUTION

If the Gift Fund is wound up or the association ceases to be a Deductible Gift Recipient for any reason, any surplus assets of the Gift Fund remaining after the payment of liabilities attributable to it must be transferred to a fund, authority or institution to which income tax deductible gifts can be made.

Upon the winding up or dissolution of the association, any remaining property after satisfaction of all debts and liabilities, will not be paid to or distributed among the members, but will be given or transferred to some other institution or company which satisfies both the following requirements:

(a) It has objects similar to the objects of the association; (b) Its constituent documents prohibit the distribution of its income and property among its members on terms substantially to the effect of clause 36A (refer to Note 20).

This is to be determined by the members at or before the time of winding up or dissolution of the association and, in default of any determination, by the Supreme Court of New South Wales.

NOTE 22: FUNDRAISING ACTIVITIES

The total gross income from fundraising appeals was less than \$20,000 during the financial year. Details showing how the funds were received and applied are not required.

NOTE 23: ASSOCIATION DETAILS

The principal place of business of the association is:

The Cat Protection Society of NSW Inc
103 Enmore Road
Enmore NSW 2042

THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 3 to 14:

1. Presents a true and fair view of the financial position of The Cat Protection Society of NSW Inc as at 31 May 2008 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Cat Protection Society of NSW Inc will be able to pay its debts as and when they fall due.

In respect of fundraising appeals, we declare that in our opinion:

- (a) the accounts give a true and fair view of all income and expenditure of the Cat Protection Society of NSW Incorporated with respect to fundraising appeals; and
- (b) the Balance Sheet gives a true and fair view of the state of the affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority to fundraise have been complied with; and
- (d) the internal controls exercised by The Cat Protection Society of NSW Inc are appropriate and effective in accounting for all income received and applied by The Cat Protection Society of NSW Inc from any of its fundraising appeals.

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

Nita Harvey

Rhonda House

Dated this 27th day of September 2008

**THE CAT PROTECTION SOCIETY OF NSW INC
REG No. INC 988 3271**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE CAT PROTECTION SOCIETY OF NSW INC**

Scope

We have audited the financial report of The Cat Protection Society of NSW Inc for the financial year ended 31 May 2008 being the Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, Notes to the Financial Statements and the Statement by Members of the Committee. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Association Incorporation Act of New South Wales, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of The Cat Protection Society of NSW Inc presents a true and fair view in accordance with applicable Accounting Standards, the Associations Incorporation Act of New South Wales and other mandatory professional reporting requirements in Australia, the financial position of The Cat Protection Society of NSW Inc as at 31 May 2008 and the results of its operations and its cash flows for the financial year then ended.

We also report that:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- (b) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;
- (c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations; and
- (d) at the date of this report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

LOWER, RUSSELL & FARR
Chartered Accountants
81 Henry Street
Penrith. NSW. 2750.

T J Zammit
Partner

29 September 2008
LOWER RUSSELL & FARR