

cat protection society
OF NSW INC.



ANNUAL REPORT 2009-2010



Polly's foster mum & babies

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Message from the President

As you'll see from our financial statements, Cat Protection made a significant profit in the year 2009-10. This was made possible by the incredibly generous bequest made by the late Daina Silins, from whose estate our organisation received \$700,000 in January 2010. Miss Silins was an Honorary Life Governor of Cat Protection and a great friend to the cats: we are humbled by her generosity and will seek to honour her life in our work caring for cats.

Taking Miss Silins's bequest out of the equation, our results were close enough to break-even, which is a good outcome in what are still challenging economic circumstances. Surviving as a charity means always striking a careful balance between investing in your cause and investing in the future. In deficit years, it is savings that are relied on to keep going. We need to ensure a certain level of money in the bank for long-term sustainability, and fortunately we are getting closer to achieving that. Underscoring the funds in reserve are administrative policies and procedures, and continued alignment to our vision and mission that gives confidence in a sustainable, long-term future.

With Sydney's incredibly expensive and competitive property market, finding pet-friendly accommodation is more difficult than ever, especially for renters. Put this against an overall trend of declining cat ownership, an economic downturn, and it's not surprising our adoption rates were down on the previous year (800 versus 1,000 in 2008-09). On the positive side, all those cats and kittens found loving and responsible homes, and we have managed admissions so that we remain a no-kill shelter and have invested in improvements to infrastructure and processes to meet our best-practice and sustainability goals.

While there may have been fewer adoptions, there was no decline in our activity. With the help of a \$5,000 grant from the Australian Government Department of Health and Ageing, we developed the 'Community Pets' pilot program – aimed at helping older people living alone keep their pets happy and healthy – and pursuit of this program has continued in the new year. You can read more about the project in this report.

We've also continued to promote desexing and have made a significant contribution to feline population management with our own discount desexing programs and our Operation Cat programs which are conducted jointly with councils. We especially thank Sydney, Fairfield and Marrickville councils for their support of Operation Cat.

Earlier in 2010, we revised our strategic plan to guide us for the coming years. Our key objectives are quality of life for cats (whether or not in our care); best practice cattery; sustainability; and recognition, with these last two objectives being essential to ensuring the achievement of our feline-focused objectives.

Thanks to the enormous generosity of our members, we were able to purchase new accommodation for our cats – an important goal in our 'best practice cattery' objective. These new units have not only made the cats in our care happier and healthier but have improved occupational health and safety and infection control.

From the 800 cats and kittens who found forever homes; the 2,000 cats in the community desexed with our assistance; the 5,000 people who received information, support or advice on feline care and welfare; and the tens of overjoyed families who were reunited with their lost feline friends (and the one reunited with their dog!) – and from the Board, too: thank you.

Rhonda House
President

Overview

The Cat Protection Society of NSW Inc is an association incorporated under the NSW Associations Incorporation Act. We are non-profit and authorised to raise funds for our charitable purposes, and donations to Cat Protection are tax-deductible. With a full-time equivalent staff of around 12 people, we are governed by an elected committee of seven (Board) and our work is supported by the efforts of around 150 volunteers (cattery, Op Shop, and foster carers) as well as pro-bono professional advisers (legal, veterinary, marketing). Additionally, members act as advocates for the cause of feline welfare and help to promote responsible cat ownership and desexing, as well as being our major donors.

Our vision is that every cat has a loving and responsible home.

Our mission is to work with the community at all levels for the mutual benefit of cats, people and the natural environment. We do this by:

- Finding loving and responsible homes for cats in need
- Improving the quality of life for cats by educating the community about socially and environmentally responsible cat care
- Actively working with government and non-government agencies to promote and improve cat welfare
- Honouring the unique relationship between people and cats.

As well as our primary purpose of providing shelter and care for cats and kittens without homes until they find permanent homes, we reunite lost cats with their people, and provide a wide range of feline welfare services, including:

- Free information and advice on cat care, health and behaviour
- Community information and awareness programs
- Discount desexing programs for cats in the community
- Discount microchipping
- Responding to cats at risk in the community (eg picking up injured cats; assisting people who can no longer care for their cats)
- Kitten kindy classes for new cat owners (for a small fee)
- Information seminars on cat care
- Policy work including advocacy for pet-friendly laws & development of feline-human welfare programs (eg Community Pets pilot program)
- Supporting feline health research
- Education programs for children
- Affordable cat care products
- Member services including *Cat Affairs* magazine and special events.

Cat Protection is a no-kill shelter so cats stay here until they find their forever homes. In March we closed our shelter for adoptions and surrenders for some weeks due to a cat on site with ringworm. While ringworm is a simple fungal infection and easily treated in the home, because it is contagious it is more difficult to manage in a multi-cat environment. If a cat needs specialist veterinary surgery or rehabilitation, this is provided. For example, in the period we treated two cats with skin cancer, one cat who had been hit by a car, one cat with a hernia as well as cats with more minor ailments. There were, sadly, some cats with untreatable conditions (advanced cancer, renal failure) and cats with conditions that did not respond to treatment (spinal disorder; paramesonephric cyst) who were euthanased. In 2009-10, 800 cats and kittens were rehomed; 2,000 cats in the community were desexed and 5,000 human clients were assisted with information and advice on feline health, behaviour and welfare.

Funding

To fund our work, we rely on bequests, donations, sponsorship and income generation from the Op Shop, merchandise sales and adoption fees.

We are grateful to our major sponsors **Hill's Pet Nutrition** and **Bayer Animal Health Care**. Bayer provides all cats and kittens in our care with Advocate flea and worm treatment, and Hill's provides all cats and kittens in our care with Hill's Science Diet. Both Hill's and Bayer also support us at special events and sponsored publication of our guide *Your New Cat* which is given to all new adopters.

The NSW Department of Primary Industries provides an annual grant of \$15,500 towards our welfare program which assists with desexing cats in the community and helping cats at risk.

A one-off grant of \$5,000 was received from the Australian Government Department of Health and Ageing to assist with funding the development and piloting of the community pets program, an initiative of Cat Protection designed to help older people living alone with pet care.

Our Op Shop made a net profit of \$108,914 in the reporting period, down on last year's record profit of \$121,179, but still a great result and a significant contribution to operating expenses. Thanks to all the kind people who donate goods to the Op Shop, to our customers and to our volunteers who look after the Shop.

Donors contributed a generous \$217,843 – down on last year's \$236,923, but again a substantial contribution to meeting operating costs. In the context of a very difficult economic environment, these results are better than might have been expected and we greatly appreciate people's generosity.

As in previous years, bequests provided the single largest source of income, with \$1,066,005 received in 2009-10 against \$369,639 the previous year. Ordinarily around 40 per cent of operating expenses are met by bequest income. The additional bequest income not needed for operating expenses has been put into term deposits to ensure funds available for deficit years and expanded services.

As bequest income is unpredictable, it is prudent to try to lessen reliance on it for operational expenses and to keep it for income generation, expansion and contingency. With limited options this is a difficult task, however, the aim is to grow donations and other income so that a more predictable budget can be achieved. Sale of merchandise is one area of income generation that has been growing in recent years, with a net profit of \$59,369 in 2009-10.

It is the kind thoughtfulness of people remembering Cat Protection in their Wills; the generosity of individual donors and corporate sponsors; and the ongoing support of members and friends that means we own our shelter and can continue to help thousands of cats every year.

On behalf of all our feline friends, our sincere thanks for your life-saving contributions.



Brock recovering from his hernia operation

Policy & research

The main focus of our policy efforts continues to be on feline overpopulation as it is the mismatch between the number of homes available for cats and the number of cats available for homes in NSW that leads to the killing of tens of thousands of healthy cats and kittens in this state every year. The Australia-wide statistics are equally grim.

Desexing of kittens before sexual maturity is vital to reducing this death toll. Responsible registered breeders are not a problem – backyard breeders and irresponsible owners and pet shops that continue to provide a marketplace for them are a problem. It has been pleasing to note increased media attention on the appalling conditions of puppy factories – many people in the community are simply unaware of the ‘industry’ behind the cute kittens and puppies on the internet, in markets and in pet shops. It is our view that most Australians do not condone the mistreatment of companion animals but that not enough people know about companion animal welfare issues.

In the reporting period, Cat Protection wrote to the Mayor of every council that contracted the services of Blacktown Pound. We were concerned at a number of the policies in place at the Pound, including the sale of undesexed pets and the use of a ‘tender’ process rather than an adoption process that seeks to match the right pet with the right people. We were also concerned with the conditions in which animals were kept while at the Pound. We understand that some improvements have been made however we remain concerned that not all pounds in NSW operate with consistent quality of care standards and responsible rehoming policies.

‘Free to good home’ kittens advertisements are responded to with an offer of discount desexing for the mother cat and assistance with rehoming. We also ask our members and supporters that if they find such a notice to respond with a polite call to the person advising that Cat Protection can assist with affordable desexing.

On 30 September – 2 October 2009, the CEO and Feline Services Manager attended the National Summit to End Companion Animal Overpopulation, presented by the National Desexing Network. Representatives of animal welfare groups, government policy bodies and animal health and behaviour specialists attended this summit, which included plenary sessions and workshops. A particular focus at this Summit was the experience of the no-kill shelter movement in the United States and strategies for ‘animal management’ (councils) to work more closely with animal welfare groups in the best interests of companion animals. Many speakers shared their insights and experiences with different rehoming strategies. There was an excellent interactive workshop on environmental enrichment and rehabilitation for cats in pounds and shelters, presented by Tamzin Barber, Psychologist, Behaviour and Enrichment Team, School of Veterinary Science, University of Queensland.

Sydney University’s Dr Jacqueline Norris, a leading researcher into the fatal cat disease Feline Infectious Peritonitis (FIP) is a regular speaker at the Rex Cat Club’s annual Feline Health Seminar. Cat Protection applauds the Rex Cat Club on these important seminars, which we find informative and educative. Learning that Dr Norris’s research into FIP (a disease associated with Feline Coronavirus) is groundbreaking but struggles for funding prompted Cat Protection to make a \$2,000 donation for the FIP research in Dr Norris’s laboratories in the Faculty of Veterinary Science, Sydney University. Her research in FIP has already benefited feline health and her generosity in sharing her findings ensures many more cats will benefit from her work.

In February, along with other companion animal interest groups, Cat Protection attended a meeting with the Division of Local Government to discuss strategies to improve companion animal welfare. Interest groups agreed that community education on responsible pet ownership and pet-friendly accommodation were high priorities.

Companion animals can mean so much to people – there is a large and growing body of evidence demonstrating the benefits of the human-animal bond. These include:

- Pet ownership positively associated with social contact, interaction and neighbourhood friendliness
- Lower levels of risk factors for cardiovascular disease
- Improved general health
- Improved mental health
- A buffering effect against grief and stress.

At Cat Protection our first-hand experience supports the findings in the literature: we know that cats can enhance people's wellbeing and conversely, forced separation from a loved companion cat can cause great distress. With this in mind, we approached the Australian Government Department of Health and Ageing with a submission to develop a pilot program to explore ways to help older people keep their pets and where this becomes impossible, to identify avenues for alternative care. We were pleased to receive the support of the Minister and Department and with the assistance of a grant from the Commonwealth, developed the Community Pets Pilot Program. The program was based in the Hunter region and produced:

- A directory of pet care services in the Hunter
- A listing of pet-friendly retirement villages and residential aged care services in the Hunter
- A background paper on issues relating to the care of pets for people living with dementia
- A training program for workers who provide in-home care to older people living alone.

A focus group with care workers in April 2010 identified that pets were very important to older people living alone and provided companionship, purpose, security, opportunities for social engagement and also reminiscence. The group also noted that there were challenges in pet care for older people living alone, including health and safety hazards and cost issues.

Now that the program has been developed, Cat Protection will seek to work with providers of aged care in the home and other community care workers to pursue this initiative.

Where Cat Protection becomes aware of advertisements or products that promote or suggest cruelty to cats we will make formal complaints. A complaint was made in the reporting period regarding an ad for a television station that showed a cat being thrown into a pool. Their defence was that the cat wasn't real and the ad complied with the code of practice and the law. We noted that working in an animal shelter we regularly see real victims of animal cruelty and the depiction of cruelty is not funny irrespective of whether the cat in the ad was real or not. We expressed our disappointment that this company elected to promote themselves at the expense of a vulnerable animal.

Throughout the reporting period and continuing in this year have been our efforts to promote pet-friendly policies and regulations for housing. This will continue to be an area of high priority.

Our *Cat Affairs* magazine is posted to every Member of NSW Parliament to keep them informed of our work and feline welfare issues.

Marketing and media

Cat Protection spends a small budget on paid advertising (\$8,641 in 2009-10 against \$7,405 in the previous year) mainly to promote adoptions and desexing. We're grateful to those publications that recognise our charity budget and offer us substantial discounts. Regular adoption campaign advertising was run in the Spectator group of community papers; *SX* magazine; *LOTL*; and *Fifty Plus Lifestyle*. A desexing advertising campaign for the Liverpool area was promoted with advertising and editorial in *Your Liverpool*.

Taking advantage of a once-in-many year's opportunity, a full-page advertisement was placed in the *CATS* musical program. As people tend to keep programs, this ad will have a long life (and featured some of our beautiful shelter cats). As members know from our magazine, a cast member of *CATS* visited Cat Protection and this was covered by a story about both the musical and our shelter in the local *Inner West Weekly*.

A community service announcement was produced for us pro-bono by a radio producer, with a professional voice-over (also pro-bono). This was sent to all major commercial and community radio stations in Sydney. We continued with our fortnightly spot on the pets program on Southern Highland community radio until the program was discontinued in August 2009.

The NSW Cat Fanciers Association again kindly provided us with a stand for two days in the Cat Pavilion at the Royal Easter Show – this is always a very popular event. Our 2009 Kitten Kaboodle photography competition was a great success (the 2010 competition opening ran in the 2010-11 financial year). Nearly 200 people attended the opening night and the exhibition at the Buzzzbar Café in Newtown proved so popular it was extended by two weeks. The purpose of the competition is to increase awareness of the work of the Cat Protection Society and to fulfil our mission of honouring the unique relationship between people and cats.

We had a very successful stand at the Sydney Retirement & Lifestyle Expo, and other community events included the Holroyd PetFest; Bankstown Council Microchipping Day; Willoughby Fauna Fair; Mardi Gras Fair Day; Pet & Animal Expo; Northcott Pet Fair; Cruelty-Free Festival; the Newtown Festival. The Sydney University Animal Welfare Society included Cat Protection information at their stall during Orientation Week. Our Open Day was as popular as ever and on World Animal Day we held a blessing service for our cats.

At Christmas, the NSW Premier, the Hon Kristina Keneally visited Cat Protection and held a media conference on the topic 'a pet is for life' to discourage the impulse acquisition of pets and pets as gifts.

Articles about our sculpture *The Dream* appeared in *SX* magazine and *Look*, the magazine of the Art Gallery Society of NSW. A letter from Cat Protection about the lack of funds for animal welfare was published in the *Sydney Morning Herald* and *Future Living* magazine included a story about Cat Protection in an article on urban pets; the *Bargain Shoppers Guide to Sydney* includes our details; a profile piece ran in the *Inner West Courier* and the Disney Channel filmed a small segment at our cattery. Cat Protection 'cat of week' features are run weekly in the Spectator group of papers and monthly in the *St George and Sutherland Shire Leader*, and occasionally in the *Inner West Courier*. Six articles on cat care appeared in *Fifty Plus Lifestyle* and our comments on animal cruelty in a story in the *Macarthur Chronicle*.

Our website and Facebook page continue to receive many visitors – at the end of the reporting period we had nearly 3,000 Facebook 'fans' (an increase of 1,600 on the previous year).



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The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Financial Statements

For the Year Ended 31 May 2010

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

For the Year Ended 31 May 2010

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The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Committee's Report

31 May 2010

Your committee members submit the financial report of the association for the financial year ended 31 May 2010.

1. General information

Committee Members

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

Dagmar Strohmaier

Angelika Elliott

Rhonda House

Carrie-Anne Finch

Resigned 7/11/09

Nita Harvey

Jackie Rares

Resigned 7/11/09

Simon Stevenson

Appointed 7/11/09

Jo-Anne Rooker

Appointed 7/11/09

Suzanne Jenkins

Principal Activities

The principal activities of association during the financial year were:

- to provide care for lost, abandoned and unwanted cats and kittens; to provide care for injured cats and kittens without an identifiable owner; and to find the original or new owners for the cats and kittens noted above.

- The secondary purposes of the association are as follows: to educate the community about socially and environmentally responsible cat care; and to promote and improve cat welfare.

Significant Changes

The following significant changes in the nature of the principal activities occurred during the financial year:

- legacies amounting to \$1,066,005 were received during the year.

- the association property's estimated value on 25th June 2010 was revised upwards by an amount of \$418,850 to \$1.5 million by Gordon Rutter (Licensed Real Estate Agent) of Wiseberry Enmore Real Estate.

- the association's managed funds with ANZ Bank increased during the year by an amount of \$39,770 and is included in the association's profit for the year.

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Committee's Report

31 May 2010

2. Business review

Operating result

The profit/(loss) of the association for the financial year after providing for depreciation amounted to \$ 668,972 (2009: \$ (2,316)).

3. Other items

After balance day 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 the state of affairs of the association in future financial years.

Future developments

The association expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Indemnifying Officers

The association has paid premiums to insure each of the committee members against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of committee member of the association, other than conduct involving a wilful breach of duty in relation to the association. The premiums for each committee member amounted to \$ 327.

Proceedings on Behalf of Company

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

The association was not a party to any such proceedings during the year.

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

Committee Member:
Rhonda House

Committee Member:
Nita Harvey

Dated this 25th day of September 2010

The Cat Protection Society of NSW Inc

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Auditors Independence Declaration

To the members The Cat Protection Society of NSW Inc

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2010 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 & FARR
Chartered Accountants

T J Zammit
Partner

24 September 2010

Signed at Penrith NSW

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Statement of Comprehensive Income

For the Year Ended 31 May 2010

	Note	2010 \$	2009 \$
Revenue	2	1,840,849	1,138,026
Other income	2	29,437	52,608
Employee benefits expense		(704,666)	(602,375)
Depreciation, amortisation and impairments	3	(32,369)	(33,747)
Advertising		(8,641)	(7,405)
Boarding charges		-	(915)
Cattery		(31,296)	(34,935)
Merchandise		(161,103)	(141,578)
Motor vehicle expenses		(15,614)	(15,481)
Office supplies		(27,576)	(15,410)
Opportunity shop expenses		(27,823)	(25,017)
Loss on investment revaluation		-	(64,428)
Veterinary expenses		(114,550)	(128,508)
Other expenses		(77,676)	(123,151)
Profit/(loss) for the year		668,972	(2,316)
Other comprehensive income:			
Net gain on revaluation of land and buildings		418,850	18,850
Other comprehensive income for the year, net of tax		418,850	18,850
Total comprehensive income for the year		1,087,822	16,534

The Cat Protection Society of NSW Inc

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Balance Sheet

31 May 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,425,585	789,452
Trade and other receivables	5	6,040	6,040
Inventories	6	14,428	7,461
Other financial assets	7	411,507	371,737
Other assets	8	16,442	28,404
TOTAL CURRENT ASSETS		1,874,002	1,203,094
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,565,901	1,148,844
Investment property	10	26,782	-
TOTAL NON-CURRENT ASSETS		1,592,683	1,148,844
TOTAL ASSETS		3,466,685	2,351,938
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	53,407	30,741
Short-term provisions	12	21,743	17,484
TOTAL CURRENT LIABILITIES		75,150	48,225
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		75,150	48,225
NET ASSETS		3,391,535	2,303,713
		2010	2009
		\$	\$
EQUITY			
Reserves		871,136	452,286
Retained earnings		2,520,399	1,851,427
TOTAL EQUITY		3,391,535	2,303,713

The Cat Protection Society of NSW Inc

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Statement of Changes in Equity

For the Year Ended 31 May 2010

2010

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 June 2009	1,851,427	452,286	2,303,713
Increase in reserves during the year	-	418,850	418,850
Profit/(Loss) for the year	668,972	-	668,972
Sub-total	668,972	418,850	1,087,822
Balance at 31 May 2010	2,520,399	871,136	3,391,535

2009

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 June 2008	1,852,302	433,436	2,285,738
Increase in reserves during the year	-	18,850	18,850
Loss for the year	(2,316)	-	(2,316)
Adjustment to prior year retained earnings	1,440	-	1,440
Rounding	1	-	1
Sub-total	(875)	18,850	17,975
Balance at 31 May 2009	1,851,427	452,286	2,303,713

The Cat Protection Society of NSW Inc

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Cash Flow Statement

For the Year Ended 31 May 2010

	Note	2010 \$	2009 \$
Cash from operating activities:			
Receipts from customers		1,604,414	909,872
Payments to suppliers and employees		(1,180,024)	(1,140,087)
Donations received		216,223	236,923
Interest received		25,686	41,744
Net cash provided by (used in) operating activities	14	<u>666,299</u>	<u>48,452</u>
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		4,545	-
Purchase of property, plant and equipment		(32,741)	(2,417)
Purchase of other non current assets		(26,782)	-
Net cash provided by (used in) investing activities		<u>(54,978)</u>	<u>(2,417)</u>
Cash flows from financing activities:			
Proceeds from memberships		24,812	19,144
Net cash provided by (used in) financing activities		<u>24,812</u>	<u>19,144</u>
Other activities:			
Net increase (decreases) in cash held		636,133	65,179
Cash at beginning of financial year		789,452	724,273
Cash at end of financial year	4	<u>1,425,585</u>	<u>789,452</u>

The Cat Protection Society of NSW Inc

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Notes to the Financial Statements

For the Year Ended 31 May 2010

1 Summary of Significant Accounting Policies

(a) General Information

The financial report covers 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*.

(b) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act New South Wales. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(c) Presentation of financial statements

Because the precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates and approximations which have been made using careful judgment. These estimates are based on management's best knowledge of current events and actions that the entity may undertake in the future.

(d) Cash and Cash Equivalents

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.

(e) Trade and other receivables

The entity considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

The Cat Protection Society of NSW Inc

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Notes to the Financial Statements

For the Year Ended 31 May 2010

1 Summary of Significant Accounting Policies continued

(f) Inventories

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

(g) Financial Assets

Recognition

Investments held are originally recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at reporting date. Movements in fair value are recognised through the income statement.

(h) Property, Plant and Equipment

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The Cat Protection Society of NSW Inc

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Notes to the Financial Statements

For the Year Ended 31 May 2010

1 Summary of Significant Accounting Policies continued

(h) Property, Plant and Equipment continued

Plant and equipment - carrying amount

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

Depreciation

The depreciable amount of all fixed assets including buildings, is depreciated on a straight-line basis (and diminishing value basis for motor vehicles) over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of Fixed Asset

Buildings	2.5% SL
Plant and Equipment	10 - 30% SL
Motor Vehicles	22.5 - 25% DV

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

(i) Trade payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

(j) Income Tax

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

(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 are measured using the best estimate of the amounts required to settle the obligation at balance date.

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

1 Summary of Significant Accounting Policies continued

(l) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(m) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(n) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate 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.

Grant and donation income is recognised when the association obtains control over the funds which is generally at the time of receipt.

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

(o) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

(p) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(q) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

1 Summary of Significant Accounting Policies continued

(r) Leases

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

(s) Critical Accounting Estimates and Judgments

The committee members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the association.

2 Revenue and Other Income

(a) Sales revenue breakup

	2010 \$	2009 \$
Sales revenue		
- Sale of goods	473,903	445,944
- Services revenue	37,047	47,308
- Government grants	20,536	15,500
- Donations	217,843	236,923
- Member subscriptions	24,812	19,144
- Legacies	1,066,005	369,639
- Fundraising	703	3,568
Total Revenue	<u>1,840,849</u>	<u>1,138,026</u>

(b) Other Income breakup

	2010 \$	2009 \$
Other revenue		
- Interest income	25,686	41,744
- Recoveries	-	2,853
- Other income	3,751	8,011
	<u>29,437</u>	<u>52,608</u>

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

3 Profit for the Year

(a) Expenses

	2010	2009
	\$	\$
Depreciation of property, plant and equipment	32,369	33,747
Remuneration of auditor		
auditing or reviewing the financial report	8,240	7,745
other services	360	-
Rental expense on operating leases		
Operating lease rental	26,000	23,500

(b) Significant Revenue and Expenses

	2010	2009
	\$	\$
The following significant revenue and expense items are relevant in explaining the financial performance:		
Legacies	1,066,005	369,639
Unrealised profit/(loss) on ANZ Private Investment Portfolio	39,770	(64,428)

(c) Revenue and Other Income

	2010	2009
	\$	\$
Net gains on disposal of property, plant and equipment	2,380	-
ANZ Private Portfolio		
Profit on revaluation	39,770	-

4 Cash and Cash Equivalents

	2010	2009
	\$	\$
Cash on hand	350	350
Cash at bank	356,561	39,907
Short-term bank deposits	1,068,674	749,195
	1,425,585	789,452

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

5 Trade and other receivables

	2010	2009
	\$	\$
CURRENT		
Deposits	6,040	6,040
Total current trade and other receivables	<u>6,040</u>	<u>6,040</u>

6 Inventories

	2010	2009
	\$	\$
CURRENT		
At Cost		
Finished goods	14,428	7,461
	<u>14,428</u>	<u>7,461</u>

7 Other Financial Assets

	2010	2009
	\$	\$
CURRENT		
ANZ Private Portfolio	411,507	371,737
Total Current Assets	<u>411,507</u>	<u>371,737</u>

8 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	16,442	28,404
	<u>16,442</u>	<u>28,404</u>

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

9 Property, Plant and Equipment

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	-	346,000
At independent estimate	346,000	-
Total freehold land	346,000	346,000
Buildings		
At directors' valuation	-	754,000
At independent estimate	1,154,000	-
Total buildings	1,154,000	754,000
Total land and buildings	1,500,000	1,100,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	63,671	63,053
Accumulated depreciation	(46,682)	(41,004)
Total plant and equipment	16,989	22,049
Motor vehicles		
At cost	66,144	98,353
Accumulated depreciation	(51,060)	(76,067)
Total motor vehicles	15,084	22,286
Office equipment		
At cost	66,210	34,087
Accumulated depreciation	(32,383)	(29,578)
Total office equipment	33,827	4,509
Total plant and equipment	65,900	48,844
Total property, plant and equipment	1,565,900	1,148,844

Freehold land and buildings located at 103 Enmore Road, Enmore, NSW, has been estimated by Gordon Rutter (Licensed Real Estate Agent) as at 25th June 2010.

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

9 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 31 May 2010						
Balance at the beginning of year	346,000	754,000	22,049	22,286	4,509	1,148,844
Additions	-	-	618	-	32,122	32,740
Disposals	-	-	-	(2,164)	-	(2,164)
Depreciation expense	-	(18,850)	(5,678)	(5,037)	(2,804)	(32,369)
Revaluation increase recognised in equity	-	418,850	-	-	-	418,850
Carrying amount at the end of 31 May 2010	346,000	1,154,000	16,989	15,085	33,827	1,565,901
Balance at 31 May 2009						
Balance at the beginning of year	346,000	754,000	28,427	29,468	3,482	1,161,377
Additions	-	-	-	-	2,417	2,417
Disposals	-	-	(54)	-	-	(54)
Depreciation expense	-	(18,850)	(6,324)	(7,182)	(1,391)	(33,747)
Revaluation increase recognised in equity	-	18,850	-	-	-	18,850
Rounding	-	-	-	-	1	1
Carrying amount at the end of 31 May 2009	346,000	754,000	22,049	22,286	4,509	1,148,844

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

10 Investment Property

	2010	2009
	\$	\$
Acquisitions	26,782	-
Balance at end of the period	26,782	-

The investment property represents the sculpture "The Dream".

11 Trade and other payables

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	31,171	12,668
Sundry payables and accrued expenses	27,976	17,979
Accrued expense (GST)	(5,740)	94
	53,407	30,741

12 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 June 2009	17,484	17,484
Additional provisions	4,259	4,259
Balance at 31 May 2010	21,743	21,743

Analysis of Total Provisions

	2010	2009
	\$	\$
Current	21,743	17,484
	21,743	17,484

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

13 Auditors' Remuneration

	2010	2009
	\$	\$
Remuneration of the auditor of the association for:		
- auditing or reviewing the financial report	8,240	7,745
- other services	360	-
	<u>360</u>	<u>-</u>

14 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Net income/(loss) for the period	668,972	(2,316)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	32,369	33,747
Net gain on disposal of property, plant and equipment	(2,380)	54
Unrealised gains/(losses) on investments	(39,770)	64,428
Income from memberships	(24,812)	(19,144)
Manual adjustment	-	(9)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	-	17,050
(Increase)/decrease in inventories	(6,967)	2,594
(Increase)/decrease in other assets	11,962	(10,845)
Increase/(decrease) in trade payables and accruals	22,666	(25,542)
Increase/(decrease) in provisions	4,259	(11,565)
Cashflow from operations	<u>666,299</u>	<u>48,452</u>

15 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

15 Capital and Leasing Commitments continued

(a) Operating Lease Commitments continued

	2010	2009
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	-	10,833
	<hr/>	<hr/>
	-	10,833
	<hr/> <hr/>	<hr/> <hr/>

Opportunity shop rental of premises.

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Website costs	<hr/>	-
	16,000	

Payable:

- not later than 12 months

Development of the association's website.

	<hr/>	-
	16,000	

16 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 17).

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.

17 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.

18 No distribution of profits

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

19 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.

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

Notes to the Financial Statements

For the Year Ended 31 May 2010

20 Association Details

Principal place of business

The principal place of business 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 of Members of the Committee

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 12 to 28:

1. Presents a true and fair view of the financial position of The Cat Protection Society of NSW Inc as at 31 May 2010 and its performance for the year ended on that date.
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:

President
Rhonda House

Treasurer
Nita Harvey

Dated this 25th day of September 2010

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

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Cat Protection Society of NSW Inc (the association), which comprises the balance sheet as at 31 May 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement of members of the committee.

The Responsibility of the Directors for the Financial Report

The committee members of the association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the association's rules and are appropriate to meet the needs of the members. The committee members' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee members' financial reporting under the entity's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Cat Protection Society of NSW Inc as of 31 May 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Report on Other Legal and Regulatory Requirements

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 record 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

T J Zammit
Partner

Signed at Penrith NSW.

27 September 2010

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

For the Year Ended 31 May 2010

Disclaimer

The additional financial data presented on pages 33-34 is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 31 May 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than The Cat Protection Society of NSW Inc) in respect of such data, including any errors of omissions therein however caused.

Penrith

LOWER RUSSELL & FARR

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The Cat Protection Society of NSW Inc

REG No. INC 988 3271

For the Year Ended 31 May 2010

Detailed Profit and Loss Statement

	2010 \$	2009 \$
Income		
Sale - cats	116,695	129,925
Sale - merchandise	220,472	169,822
Opportunity shop sales	136,737	146,196
Desexing and microchipping	37,047	47,308
Interest income	25,686	41,744
Member subscriptions	24,812	19,144
Government grants	20,536	15,500
Donations	217,843	236,923
Insurance recoveries	-	2,853
Legacies	1,066,005	369,639
Fundraising	703	3,568
Other income	3,751	8,011
Total income	1,870,287	1,190,633
Less: Expenses		
Advertising	8,641	7,405
Audit fees	8,600	7,745
Bank charges	4,239	3,808
Boarding charges	-	915
Bookkeeping	9,635	8,685
Cattery	31,296	34,935
Cleaning and waste disposal	17,889	16,769
Community information	1,952	-
Depreciation	32,369	33,747
Electricity	6,703	5,359
Fundraising expenses	687	8,216
Freight and cartage	74	36
Gas	873	805
Insurance	10,287	15,588
Internet expenses	4,643	1,293
Loss on disposal of fixed assets	-	54
Loss on investment revaluation	-	64,428
Merchandise	161,103	141,578
Motor vehicle expenses	15,614	15,481
Office supplies	27,576	15,410
Opportunity shop expenses	27,823	25,017
Permits, licenses and fees	2,473	2,357
Postage	9,999	10,363
Printing and stationery	13,993	17,941
Provision for annual leave	4,259	(11,565)
Rates and taxes	255	3,559
Repairs and maintenance	14,458	7,214

The Cat Protection Society of NSW Inc

REG No. INC 988 3271

For the Year Ended 31 May 2010

	2010	2009
	\$	\$
Road tax - tolls	1,167	1,343
Salaries	636,085	561,695
Staff training	4,885	3,438
Staff amenities	2,308	1,429
Superannuation contributions	59,436	48,807
Telephone and fax	6,672	8,817
Travel	288	142
Volunteer expenses	715	-
Veterinary expenses	114,550	128,508
Water	1,918	1,627
Total Expenses	1,243,465	1,192,949
Gain and (loss) on disposal of assets	2,380	-
Unrealised profit on revaluation of investment	39,770	-
	42,150	-
Profit/(Loss) for the year	668,972	(2,316)