



FOUR PAWS Australia (Animal Welfare) Limited

ABN 86 601 868 286

Financial statements for the year ended - 31 December 2021

FOUR PAWS Australia (Animal Welfare) Limited
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For the year ended 31 December 2021



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The directors present their report, together with the financial statements, on FOUR PAWS Australia (Animal Welfare) Limited (hereinafter referred to as 'FOUR PAWS Australia') for the year ended 31 December 2021.

Directors

The following persons were directors of FOUR PAWS Australia during the whole of the financial year and up to the date of this report, unless otherwise stated:

Carole de Fraga
Jeroen van Kernebeek
Josef Pfabigan

Objectives

The objects for which FOUR PAWS Australia is established, as set out in its Constitution, are to prevent or relieve unnecessary suffering of animals, including but not limited to:

- i) Providing direct assistance and relieving the suffering of animals in need of care and attention;
- ii) Providing veterinary care and treatment;
- iii) Rescuing, rehabilitating and rehoming animals;
- iv) Providing support and giving advice to owners, handlers and keepers;
- v) Promoting benevolence towards animals;
- vi) Promoting and providing education relating to the humane treatment of animals;
- vii) Improving the political climate for animal welfare to prevent animal suffering in the future, including lobbying at a national and international level;
- viii) Promoting and encouraging the abolition of animal testing and experimentation by all lawful means; and
- ix) Any other activities in furtherance of the above purposes.

Strategy for achieving the objectives

The strategy to achieve the objectives of FOUR PAWS Australia is in line with the mission of FOUR PAWS as a global animal welfare organisation, namely to be the global animal welfare organisation for animals under direct human influence, which reveals suffering, rescues animals in need and protects them.

FOUR PAWS reveals inappropriate and life-threatening conditions for animals. FOUR PAWS' projects, campaigns, information, and lobbying for the protection of animals under direct human influence raise awareness and bring about changes in mindsets and laws.

Worldwide, FOUR PAWS rescues animals in need that are under direct human influence and reduces or ends the suffering of animals with continuing help and medical care. FOUR PAWS provides a safe home for wildlife such as big cats, bears, orangutans and elephants rescued from non-species-appropriate keeping conditions around the world.

FOUR PAWS works with authorities and governments around the world to introduce legislative changes that improve the lives of millions of animals.

Principal activities

During the financial year the principal continuing activities of FOUR PAWS Australia were to raise broad community awareness of animal welfare issues on which FOUR PAWS works globally, to campaign for the protection of the animals involved and to raise funds for this work.

No significant changes to the nature of these activities occurred during the year, except for as described in the below section 'Impact of COVID-19'.



Significant changes during the year

As noted in the 2020 directors' report, in January 2021 Executive Director Jeroen van Kernebeek announced that he would resign from his position by the end of March 2021. A new Executive Director, Rebecca Linigen, was appointed in May 2021. Jeroen continues to function on the Board of Directors as a Non-Executive Director.

Events after reporting period

No matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the FOUR PAWS Australia's operations, the results of those operations, or the FOUR PAWS Australia's state of affairs in future financial years.

Information on directors

Name: Josef Pfabigan
 Title: Non-Executive Director
 Qualifications: Agricultural studies BOKU University, Vienna; Leadership Training Vienna
 Experience and expertise: CO-Founder, CEO and Foundation President for FOUR PAWS Austria and International, Board member of VIER PFOTEN International since 1988, CEO BÄRENWALD Bärenschutzzentrum gem. GmbH since 1998

Name: Carole de Fraga
 Title: Non-Executive Director, Secretary
 Qualifications: MA (European Studies - Animal Welfare Policy), Dip. Ed., BA Hons. (German language and literature)
 Experience and expertise: Director, ACTAsia Limited
 Director, Animals Australia
 Consultant - research, writing, liaison: animal welfare
 Field Representative (Oceania) - WSPA
 Research Officer - Animals Australia

Name: Jeroen van Kernebeek
 Title: Non-Executive Director
 Qualifications: MSc in Educational Sciences (The Netherlands)
 Experience and expertise: Director, ACTAsia Limited
 Director, GREY2K USA Worldwide
 Senior Campaigner, Animals Australia
 Campaign Manager, AAP - European sanctuary for exotic animals, The Netherlands
 Youth Education Manager, The Jane Goodall Institute, The Netherlands

Company secretary

Carole de Fraga has held the role of Secretary at FOUR PAWS Australia since September 2014. Carole has over 26 years of involvement in animal welfare NGOs, as staff member and as a director and prior to this worked in university administration.

Meetings of directors

The number of meetings of the FOUR PAWS Australia's Board of Directors ('the Board') held during the year ended 31 December 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Carole de Fraga	2	2
Jeroen van Kernebeek	2	2
Josef Pfabigan	2	2

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up

In the event of the entity being wound up, ordinary members are required to contribute a maximum of \$10 each.

The total amount that members of FOUR PAWS Australia are liable to contribute if it is wound up is \$10, based on 1 (2020: 1) current ordinary member.

FOUR PAWS Australia (Animal Welfare) Limited
Directors' report
For the year ended 31 December 2021



Auditor's independence declaration

A copy of the auditor's independence declaration as required under s60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the directors

A handwritten signature in black ink, appearing to be "Jeroen Van Kernebeek", written over a horizontal line.

Jeroen Van Kernebeek
Director

29 March 2022



LBW & Partners

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FOUR PAWS Australia (Animal Welfare) Limited

Auditor's Independence Declaration to the Directors of FOUR PAWS Australia (Animal Welfare) Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor of FOUR PAWS Australia (Animal Welfare) Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 28th day of March 2022

FOUR PAWS Australia (Animal Welfare) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021



	Note	2021 \$	2020 \$
Revenue			
Revenue	4	4,490,915	5,262,267
Other income	5	85,012	229,266
Total revenue		<u>4,575,927</u>	<u>5,491,533</u>
Expenses			
Animal welfare program expenses	6	(534,692)	(1,994,528)
Advocacy, public education and raising awareness expenses	7	(1,070,390)	(980,434)
Management and administration expenses	8	(111,503)	(127,823)
Donor services expenses	9	(509,499)	(620,958)
Total expenses		<u>(2,226,084)</u>	<u>(3,723,743)</u>
Surplus before income tax expense		2,349,843	1,767,790
Income tax expense		-	-
Surplus after income tax expense for the year		2,349,843	1,767,790
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>2,349,843</u></u>	<u><u>1,767,790</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

FOUR PAWS Australia (Animal Welfare) Limited
Statement of financial position
As at 31 December 2021



	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	11	1,387,364	716,424
Trade and other receivables	12	31,401	63,709
Prepayments		16,149	32,585
Total current assets		<u>1,434,914</u>	<u>812,718</u>
Non-current assets			
Property, plant and equipment	13	9,988	22,828
Right-of-use assets	14	-	17,797
Deposit	15	17,921	17,921
Total non-current assets		<u>27,909</u>	<u>58,546</u>
Total assets		<u>1,462,823</u>	<u>871,264</u>
Liabilities			
Current liabilities			
Trade and other payables	16	81,369	158,959
Borrowings	17	-	279,151
Lease liabilities	18	-	20,643
Employee benefits	19	54,638	39,781
Total current liabilities		<u>136,007</u>	<u>498,534</u>
Non-current liabilities			
Borrowings	17	-	1,395,757
Provisions		937	937
Total non-current liabilities		<u>937</u>	<u>1,396,694</u>
Total liabilities		<u>136,944</u>	<u>1,895,228</u>
Net assets/(liabilities)		<u>1,325,879</u>	<u>(1,023,964)</u>
Equity			
Accumulated surplus(deficit)		<u>1,325,879</u>	<u>(1,023,964)</u>
Total equity/(deficiency)		<u>1,325,879</u>	<u>(1,023,964)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

FOUR PAWS Australia (Animal Welfare) Limited
Statement of changes in equity
For the year ended 31 December 2021



	Accumulated surplus (deficit) \$	Total deficiency in equity \$
Balance at 1 January 2020	(2,791,754)	(2,791,754)
Surplus after income tax expense for the year	1,767,790	1,767,790
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>1,767,790</u>	<u>1,767,790</u>
Balance at 31 December 2020	<u>(1,023,964)</u>	<u>(1,023,964)</u>
	Accumulated surplus (deficit) \$	Total equity \$
Balance at 1 January 2021	(1,023,964)	(1,023,964)
Surplus after income tax expense for the year	2,349,843	2,349,843
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>2,349,843</u>	<u>2,349,843</u>
Balance at 31 December 2021	<u>1,325,879</u>	<u>1,325,879</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

FOUR PAWS Australia (Animal Welfare) Limited
Statement of cash flows
For the year ended 31 December 2021



	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from donors and supporters		2,829,444	3,949,175
Receipts from Government subsidies		84,409	224,500
Payments to suppliers and employees		(2,224,064)	(3,644,920)
Interest received		603	680
Interest on lease liability		(116)	(2,196)
Net cash from operating activities		<u>690,276</u>	<u>527,239</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(21,869)
Proceeds from disposal of property, plant and equipment		<u>1,307</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>1,307</u>	<u>(21,869)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(646,039)
Repayment of lease liabilities		<u>(20,643)</u>	<u>(54,128)</u>
Net cash used in financing activities		<u>(20,643)</u>	<u>(700,167)</u>
Net increase/(decrease) in cash and cash equivalents		670,940	(194,797)
Cash and cash equivalents at the beginning of the financial year		<u>716,424</u>	<u>911,221</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>1,387,364</u></u>	<u><u>716,424</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes



Note 1. General information

The financial statements cover FOUR PAWS Australia (Animal Welfare) Limited as an individual entity. The financial statements are presented in Australian dollars, which is FOUR PAWS Australia (Animal Welfare) Limited's functional and presentation currency.

FOUR PAWS Australia (Animal Welfare) Limited (hereinafter referred to as 'FOUR PAWS Australia') is a not-for-profit unlisted public company limited by guarantee.

The company is a registered charity with the Australian Charities and Not-for-profits Commission and is exempt from income tax.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 March 2022.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

FOUR PAWS Australia has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the FOUR PAWS Australia's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Foreign currency translation

The financial statements are presented in Australian dollars, which is FOUR PAWS Australia's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The FOUR PAWS Australia recognises revenue as follows:

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Income from donations, bequests and grants received by FOUR PAWS Australia that generally do not have sufficiently specific performance obligations and therefore are recognised at the fair value of the asset when such asset is received. FOUR PAWS Australia considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.



Note 2. Significant accounting policies (continued)

Other revenue

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the FOUR PAWS Australia's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the FOUR PAWS Australia's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Property, plant and equipment

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

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

Hardware	33%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the FOUR PAWS Australia. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the FOUR PAWS Australia expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The FOUR PAWS Australia has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.



Note 2. Significant accounting policies (continued)

Trade and other payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the FOUR PAWS Australia's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST')

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

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

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

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

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The directors base their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on FOUR PAWS Australia based on known information. This consideration extends to the nature of the products and services offered, customers, suppliers, staffing and geographic regions in which FOUR PAWS Australia operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact FOUR PAWS Australia unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Classification of expenses

FOUR PAWS Australia has reported total expenditure under 4 categories - animal welfare program expenses; advocacy, public education and raising awareness expenses; management and administration expenses and donor service expenses.

FOUR PAWS Australia carries out fundraising activities concurrently with campaigns and education programs to raise awareness about animal welfare issues, change people's attitudes towards animals and motivate them to speak up and take action for animals. Therefore, for allocation of cost among animal welfare program expenses, advocacy, public education and raising awareness expenses and donor service expenses management makes judgement and estimates, which is common practice in the sector.

Note 4. Revenue

	2021	2020
	\$	\$
Donations and bequests	2,559,821	3,951,106
Grants from related parties	1,931,094	1,311,161
	<u>4,490,915</u>	<u>5,262,267</u>

Note 5. Other income

	2021	2020
	\$	\$
Interest income	603	680
Government COVID-19 subsidies	84,326	224,500
Other income	83	69
Unrealised gains on foreign exchange conversion	-	4,017
	<u>85,012</u>	<u>229,266</u>

Note 6. Animal welfare program expenses

	2021	2020
	\$	\$
Program and campaign expenses	218,267	1,765,443
Staff expenses	316,425	229,085
	<u>534,692</u>	<u>1,994,528</u>



Note 7. Advocacy, public education and raising awareness expenses

	2021	2020
	\$	\$
Advocacy, public education and awareness raising program expenses	642,367	572,102
Staff expenses	428,023	408,332
	<u>1,070,390</u>	<u>980,434</u>

Note 8. Management and administration expenses

	2021	2020
	\$	\$
Staff and administration expenses	82,174	112,718
Depreciation expenses	29,329	15,105
	<u>111,503</u>	<u>127,823</u>

Note 9. Donor services expenses

	2021	2020
	\$	\$
Donor program expenses	309,987	391,884
Staff and donor support expenses	199,512	229,074
	<u>509,499</u>	<u>620,958</u>

Note 10. Expenses

	2021	2020
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Net foreign exchange loss</i>		
Net foreign exchange loss (realised)	51	38,428
<i>Leases</i>		
Depreciation of Lease Right of use assets	17,797	55,088
Interest expense on lease liability	116	2,196
Other rental expenses (including short-term leases and outgoings)	47,337	9,375
	<u>65,250</u>	<u>66,659</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	63,826	54,132
<i>Depreciation on property, plant and equipment</i>		
Depreciation expenses	11,533	15,105



Note 11. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash on hand	2,307	11
Cash at bank	1,385,057	716,413
	<u>1,387,364</u>	<u>716,424</u>

Note 12. Trade and other receivables

	2021	2020
	\$	\$
<i>Current assets</i>		
Trade receivables	7,439	13,500
Net GST receivable	23,962	50,209
	<u>31,401</u>	<u>63,709</u>

Note 13. Property, plant and equipment

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Hardware - at cost	70,747	72,707
Less: Accumulated depreciation	(60,759)	(49,879)
	<u>9,988</u>	<u>22,828</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Hardware	Total
	\$	\$
Balance at 1 January 2021	22,828	22,828
Disposals	(1,307)	(1,307)
Depreciation expense	(11,533)	(11,533)
Balance at 31 December 2021	<u>9,988</u>	<u>9,988</u>

Note 14. Right-of-use assets

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Office lease - right-of-use	111,875	111,875
Less: Accumulated depreciation	(111,875)	(94,078)
	<u>-</u>	<u>17,797</u>



Note 14. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office lease - right-of-use
	\$
Balance at 1 January 2020	77,980
Remeasurement decrements	(5,095)
Depreciation expense	(55,088)
Balance at 31 December 2020	17,797
Depreciation expense	(17,797)
Balance at 31 December 2021	-

Note 15. Deposit

	2021 \$	2020 \$
<i>Non-current assets</i>		
Security deposit	17,921	17,921

Note 16. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Creditors	15,031	79,359
Employee payroll related payable	49,052	37,559
Accrued expenses	9,390	21,179
Other payables	7,896	20,862
	81,369	158,959

Note 17. Borrowings

	2021 \$	2020 \$
<i>Current liabilities</i>		
Loans payable to related parties	-	279,151
<i>Non-current liabilities</i>		
Loans payable to related parties	-	1,395,757
	-	1,674,908



Note 18. Lease liabilities

	2021 \$	2020 \$
<i>Current liabilities</i>		
Lease liability	-	20,643

Note 19. Employee benefits

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	54,638	39,781

Note 20. Financial assets and financial liabilities

FOUR PAWS Australia holds the following financial assets and liabilities:

	2021 \$	2020 \$
Financial assets		
Financial assets at amortised cost:		
- Trade and other receivables (Note 12)	31,401	63,709
- Cash and cash equivalents (Note 11)	1,387,364	716,424
- Deposits (Note 15)	17,921	17,921
Total financial assets	1,436,686	798,054
	2021	2020
Financial liabilities		
Liabilities at amortised cost:		
Trade and other payables (Note 16)	81,369	158,959
Borrowings (Note 17)	-	1,674,908
Lease liabilities (Note 18)	-	20,643
Total financial liabilities	81,369	1,854,510

Note 21. Key management personnel disclosures

Compensation

The aggregate compensation made to the members of key management personnel of FOUR PAWS Australia is set out below:

	2021 \$	2020 \$
Short-term employee benefits	131,006	106,016

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.



Note 22. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2021 \$	2020 \$
Other income:		
Grants received - related entity	1,931,094	1,311,161
Payment for goods and services:		
Brand license fees paid - related entity	5,000	5,172
Professional fees paid - director	2,969	9,485

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans from related parties

There were no outstanding loan balances from related parties as at 31 December 2021. During the year, the loans outstanding as at the end of previous year \$1,674,908 were converted to grants by the related parties. The loans originally had maturity periods between 2021 and 2026.

	2021 EUR	2021 AUD	2020 EUR	2020 AUD
Current borrowings:				
VIER PFOTEN International	-	-	175,000	279,151
Non Current borrowings:				
VIER PFOTEN International	-	-	875,000	1,395,757
	<u>-</u>	<u>-</u>	<u>1,050,000</u>	<u>1,674,908</u>

Terms and conditions

All transactions were unsecured and interest free.

Note 23. Information to be furnished under Charitable Fundraising Act 1991

(a) Public fundraising appeals conducted during the reporting period:

Raise broad community awareness of animal welfare issues on which FOUR PAWS works globally, to campaign for the protection of the animals involved and to raise funds for this work. The organisation used various methods to conduct its fundraising appeals during 2021 which included online, telemarketing and direct mail.

(b) Surplus/(Deficit) from fundraising activities

	2021 \$	2020 \$
Gross income from fundraising - Donations	2,436,146	3,801,106
Less: Direct fundraising costs*	(309,987)	(391,884)
Surplus from fundraising	<u>2,126,159</u>	<u>3,409,222</u>
Staff and other indirect costs	(199,512)	(229,074)
Net Surplus from fundraising	<u>1,926,647</u>	<u>3,180,148</u>



Note 23. Information to be furnished under Charitable Fundraising Act 1991 (continued)

Direct fundraising costs / Gross income from fundraising	13%	10%
Surplus from fundraising / Gross income from fundraising	87%	90%

* Direct Fundraising Costs:

Some fundraising activities carried out during the year were through traders and were structured for dual purposes - to raise funds for expenditure on various services and to educate target groups of the objectives and the services of FOUR PAWS Australia. Cost of each activity are therefore allocated between both purposes on the basis of an assessment of the emphasis given to either fundraising or program activities. Details of basis of expenses allocation is disclosed in Note 3.

During the year, the aggregate direct expenditure incurred in appeals in which traders were engaged was \$820,799 (2020: \$717,461), of which \$570,650 (2020: \$390,327) was allocated to advocacy, public education and raising awareness expenses and \$250,149 (2020: \$327,134) to donor service expenses.

(c) Sources & applications of funding for Charitable Purposes:

	2021	2020
	\$	\$
Revenue and other income:		
Donations and bequests	2,559,821	3,951,106
Grants received	1,931,094	1,311,161
Other income	85,012	229,266
Total revenue and other income	4,575,927	5,491,533
Fundraising expenses	509,499	620,958
Management and administration expenses	111,502	127,823
Services cost:		
- Animal welfare program expenses	534,693	1,994,528
- Advocacy, public education and raising awareness expenses	1,070,390	980,434
Total expenditure	2,226,084	3,723,743
	2021	2020
Results of operation from charitable activities:		
Total revenue and other income	4,575,928	5,491,533
Total expenditure	(2,226,084)	(3,723,743)
Surplus/(Deficit) transferred to retained earnings	2,349,844	1,767,790
Total cost of services / Total expenditure	72%	80%
Total cost of administration / Total income	2%	2%
Total cost of services / Total revenue and other income	35%	54%

Note 24. Contingent liabilities

As per the opinion of the directors, FOUR PAWS Australia had no contingent liabilities as at 31 December 2021 (31 December 2020: None).

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the FOUR PAWS Australia's operations, the results of those operations, or the FOUR PAWS Australia's state of affairs in future financial years.

FOUR PAWS Australia (Animal Welfare) Limited
Directors' declaration
For the year ended 31 December 2021



In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), the Charitable Collections Act 2003 (ACT), the Collections Act 1966 (QLD), Charitable Collections Act 1946 (WA) and the Collections for Charitable Purposes Act 1939 (SA) and associated regulations, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the FOUR PAWS Australia's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the FOUR PAWS Australia will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to sub section 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors

A handwritten signature in black ink, appearing to be "Jeroen Van Kernebeek", written over a horizontal line.

Jeroen Van Kernebeek
Director

29 March 2022

**LBW & Partners**

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FOUR PAWS Australia (Animal Welfare) Limited**Independent Auditor's Report to the Members of FOUR PAWS Australia (Animal Welfare) Limited****Report on the Audit of the Financial Report****Opinion**

We have audited the accompanying financial statements of FOUR PAWS Australia (Animal Welfare) Limited (the company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) Giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance and its cash flows for the year then ended; and
- (b) Complying with *Australian accounting standards – Reduced Disclosure Requirements*, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial statements that gives a true and fair view in accordance with the *Australian accounting standards – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* as well as the requirements of the *Charitable Fundraising Act 1991 (NSW)*, the *Charitable Collections Act 2003 (ACT)*, the *Collections Act 1966 (QLD)*, the *Charitable Collections Act 1946 (WA)* and the *Collections for Charitable Purposes Act 1939 (SA)*. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



FOUR PAWS Australia (Animal Welfare) Limited

Independent Auditor's Report to the Members of FOUR PAWS Australia (Animal Welfare) Limited

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located in the auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- a) the financial statements of the company have been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2021, in all material respects, in accordance with the *Charitable Fundraising Act 1991 (NSW)*, *Charitable Collections Act 2003 (ACT)*, the *Collections Act 1966 (QLD)*, the *Charitable Collections Act 1946 (WA)*, the *Collections for Charitable Purposes Act 1939 (SA)* and the associated regulations
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2021 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 31st day of March 2022