

**FOUR PAWS AUSTRALIA (ANIMAL WELFARE)
LIMITED**

A.C.N. 601 868 286

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS

	Pages
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Notes to Financial Statements	4 - 8
Responsible Entities' Declaration	9
Independent Auditor's Report	10 - 11

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$
Revenue from continuing operations	2(a)	212,136
Other income	2(b)	698
Animal Welfare and Education Programs expenses	3(a)	(383,085)
Management and administration expenses	3(b)	(23,011)
Donor services expenses	3(c)	(190,658)
Loss before income tax		<u>(383,920)</u>
Income tax expense	1(b)	-
Loss from continuing operations		<u>(383,920)</u>
Other comprehensive loss		
Foreign currency losses on loans		<u>(25,449)</u>
Other comprehensive income for the period, net of tax		<u>(25,449)</u>
Total comprehensive loss for the year		<u><u>(409,369)</u></u>

The accompanying notes form part of these financial statements.

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$
Assets		
Current Assets		
Cash and Cash Equivalents	4	140,157
Trade and Other Receivables	5	41,032
Prepayments		1,486
Total Current Assets		<u>182,675</u>
Non-Current Assets		
Loans Receivable	6	3,768
Property, Plant and Equipment	7	4,879
Total Non-Current Assets		<u>8,647</u>
Total Assets		<u>191,322</u>
Liabilities		
Current Liabilities		
Trade and Other Payables	8	75,623
Provisions		4,640
Total Current Liabilities		<u>80,263</u>
Non-Current Liabilities		
Borrowings	9	520,428
Total Non-Current Liabilities		<u>520,428</u>
Total Liabilities		<u>600,691</u>
Net Liabilities		<u>(409,369)</u>
Equity		
Accumulated Losses		(383,920)
Reserves		(25,449)
Total Equity		<u>(409,369)</u>

The accompanying notes form part of these financial statements.

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
As at 1 January 2015	-	-	-
Total Comprehensive Loss:			
Loss for the period	(383,920)	-	(383,920)
Other comprehensive income	-	(25,449)	(25,449)
	<u>(383,920)</u>	<u>(25,449)</u>	<u>(409,369)</u>
As at 31 December 2015	<u>(383,920)</u>	<u>(25,449)</u>	<u>(409,369)</u>

The accompanying notes form part of these financial statements.

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Summary of Significant Accounting Policies

These financial statements are special purpose financial statements prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The directors have determined that Four Paws Australia (Animal Welfare) Limited ("the Company") is not a reporting entity, and is a non-disclosing entity, because there are no users dependent on the general purpose financial statements. The financial statements have been prepared solely to meet the needs and requirements of the Company.

The Company is limited by guarantee, incorporated and domiciled in Australia. The Company was incorporated September 2014; however, did not commence operations until late 2015.

The financial statements were authorised for issue by the directors of the Company on 29 April 2016.

The financial statements, where relevant, have been prepared in accordance with the basis of accounting but not necessarily all the disclosure requirements of the following Australian Accounting Standards:

AASB 101	<i>Presentation of Financial Statements (excluding cash flows)</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 1031	<i>Materiality</i>

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable by the revaluation of selected non-current financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following specific accounting policies have been adopted in the preparation of these statements:

(a) Revenue

Donation revenue and grant income

Revenue received from donations can only be recognised in the underlying books and records when they are received. Grant income is recognised when receipt of the grant is virtually certain and the value can be measured reliably.

Interest revenue

Interest revenue is recognised on a cash basis in the period in which it is received.

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

(b) Income Tax

The Company is exempt from income tax, therefore no income tax has been provided for in the financial statements.

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

(d) Property, Plant and equipment

Property, plant and equipment includes items of hardware utilised by the Company. These items are recorded within non-current assets, and are depreciated on a straight line basis over the asset's useful life.

Depreciation

Depreciation on fixed assets has been provided during the year at the following rates;

	Rate per annum
Hardware	33%

(e) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. These amounts are unsecured and are usually paid within 45 days of recognition.

(f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits have been measured at the amounts expected to be paid if the liability was to be settled, and include the related on-costs.

(g) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimates - restoration costs for leased property

Included in provisions for the period ended 31 December 2015 is an amount for restoration costs of the leased property. The directors believe that the provision is sufficient to return the property to the state required under the lease agreement. The current leases expires in July 2016.

(h) Accounting Standards Issued but not yet Effective

Certain Australian Accounting Standards have recent been issued or amended but do not have mandatory application for the 31 December 2015 reporting period. The Directors' assessment of the impact of new standards and interpretations will not affect any of the amounts recognised in the financial statements.

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Going concern

The Company is a not-for-profit entity, whereby its ongoing operations are financed by donations, as well as funding received from its affiliates in order to fulfil the Company's objectives.

As at 31 December 2015, the Company's statement of financial position reflected an excess of total liabilities over total assets of \$409,369, as well as the statement of comprehensive income reflecting a loss from operations for the period to 31 December 2015 of \$383,920.

The directors believe that the Company is a going concern due to the continuing financial support of its affiliates in which these loans will not be called upon in the next 12 months. Further, the directors believe the Company will continue to generate revenue from donations in FY2016 with a continued presence within Australia.

The directors therefore believe that it is appropriate to prepare the financial statements in accordance with the going concern basis.

	2015
	\$
2. REVENUE	
(a) Revenue from continuing operations	
- Donations	69,442
- Grants from affiliates	142,694
	<u>212,136</u>
(b) Other income	
- Interest income	<u>698</u>
3. EXPENSES	
(a) Animal Welfare and Education Programs	
Project, Education and Information Expense	308,687
Staff and Program Expense	74,398
	<u>383,085</u>
Total Animal Welfare and Education Programs expenses	<u>383,085</u>
(b) Management and Administration Expenses	
Staff and Administration Expense	23,011
Total Management and Administration Expenses	<u>23,011</u>

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015
	\$
3. EXPENSES (Continued)	
(c) Donor Services Expenses	
Donor Program Expense	171,658
Staff and Donor Support Expenses	19,000
Total Donor Services Expenses	<u>190,658</u>
4. CASH AND CASH EQUIVALENTS	
Cash at Bank	<u>140,157</u>
5. TRADE AND OTHER RECEIVABLES	
Current	
Security deposit	4,950
Net GST receivable	36,082
	<u>41,032</u>
6. LOANS RECEIVABLE	
Non-Current	
Four Paws International	<u>3,768</u>
7. PROPERTY, PLANT AND EQUIPMENT	
Hardware	
At Cost	5,154
Accumulated depreciation	(275)
	<u>4,879</u>

The movement in the carrying amounts of each class of property, plant and equipment between the beginning of the period and the end of the period are as follows:

	Hardware	Total
	\$	\$
Balance at 18 September 2015	-	-
Additions	5,154	5,154
Depreciation expense	(275)	(275)
Balance as at 31 December 2015	<u>4,879</u>	<u>4,879</u>

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015
	\$
8. TRADE AND OTHER PAYABLES	
Current	
Creditors	54,868
Employee payroll related payable	12,343
Other payables	8,412
	<u>75,623</u>

9. BORROWINGS

Non-Current	
Loans payable to related parties	<u>520,428</u>

10. SUBSEQUENT 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 Company, the results of the operations, or the state of affairs of the Company in future financial years.

11. CONTINGENT LIABILITIES

No contingent liabilities exist as at 31 December 2015

	2015
	\$
12. COMMITMENTS	
Operating lease commitments	
Payable - minimum lease payments	
- not later than 12 months	9,000
- later than 12 months but not later than 5 years	-
- later than 5 years	-
	<u>9,000</u>

13. COMPANY DETAILS

The registered office of the Company and principal place of business are:

Suite 16, Level 5
155 King Street
SYDNEY NSW 2000

FOUR PAWS AUSTRALIA (ANIMAL WELFARE) LIMITED
A.C.N. 601 868 286

RESPONSIBLE ENTITIES' DECLARATION

The Directors, who are the Responsible Entities under the *Australian Charities and Not-for-profits Commission Act 2012* have determined that the Company is not a reporting entity. The Responsible Entities have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial

The Responsible Entities declare that:

1. The financial statements and notes, as set out on pages 1 to 8, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and;

a) comply with the Australian Accounting Standards applicable to the Company; and

b) give a true and fair view of the financial position of the Company as at 31 December 2015 and of its performance for the period ended on that date, in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the Responsible Entities' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Responsible Entities and is signed for and on behalf of the Responsible Entities:



Jeroen Van Kernebeek
Responsible Person (Director)

Dated in Sydney, this 29th day of April 2016.

Independent Auditor's Report**To the members of Four Paws Australia (Animal Welfare) Limited****A.C.N. 601 868 286****Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Four Paws Australia (Animal Welfare) Limited (the Company), which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, and the statement of changes in equity for the year then ended, a summary of significant accounting policies, other explanatory notes and the responsible entity's declaration.

Responsible Entities' Responsibility for the Financial Report

The Responsible Entities of the Company are responsible for the preparation of the financial report and have determined that the basis of preparation and accounting policies described in Note 1 to the financial report, are appropriate to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Responsible Entities' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls relevant to the entity's preparation 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor's Opinion

In our opinion the financial report of Four Paws Australia (Animal Welfare) Limited is in accordance with 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 2015 and of its performance for the year ended on that date; and
- b) complying with the Australian Accounting Standards to the extent described in Note 1, and with *Australian Charities and Not-for-profits Regulation 2013*.

Emphasis of Matter – Going concern

Without modifying our opinion, we draw attention to Note 1(i) to the financial report, which states that as at 31 December 2015, the Company's total liabilities exceeds its total assets by \$409,369. Further, the Company generated a loss from operations of \$383,920 for the year ended 31 December 2015. The ability of the Company to continue as a going concern is dependent on the continued support of its affiliates, in which the affiliate entities will not request repayment of the Company's loans within the next twelve months. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting and Restriction on Distribution in Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared in order to fulfil the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and to meet the requirements of the Company. As a result, the financial report may not be suitable for another purpose.



Pitcher Partners



Spiro Tzannes
Partner

Dated in Sydney this 29th day of April 2016