

**DELTA SOCIETY AUSTRALIA
LIMITED**

**Financial Statements
For the year ended 30 June
2014**

DELTA SOCIETY AUSTRALIA LIMITED
Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2014.

Directors

The names of the directors in office at any time during or since the end of the year are:

Name of Director	Qualifications
Phillip Palangas	– BBus Accounting.
Sue Schreiner	– LL.B(ANU) Dip.Crim (Syd Uni) – Resigned 28/08/2013
John Robin Simpson	
Christopher Matthew Ryan	– MBBS FANZCA – Resigned 07/04/2014
Danielle Nelson	
Gaille Perry	– BVSc, BedSt, Dip Ed, MACVSc (Animal Behaviour) PhD
Kersti Seksel	– BVSc (Hons) MRCVS MA (Hons) FACVSc DACVB DECVBM-CA
Louise Mooney	– LLB, FCA, GAICD – Resigned 23/06/2014

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Meetings

	Meetings eligible	Meetings attended
Phillip Palangas	5	5
Sue Schreiner	1	1
Danielle Nelson	5	4
John Robin Simpson	5	5
Christopher Matthew Ryan	4	1
Gaille Perry	5	5
Kersti Seksel	5	5
Louise Mooney	5	4

Operating Result

The surplus/(deficiency) of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2014	30 June 2013
\$	\$
23,178	(2,923)

DELTA SOCIETY AUSTRALIA LIMITED
Directors' Report

Significant Changes in the State of Affairs

No significant changes have been made.

Principal Activities

The principal activities of the company during the course of the year were promoting human health and well being with animal assistance and conducting educational and training courses and seminars. No significant change in the nature of these activities occurred during the year.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The company is limited by guarantee. No shares have been issued. No dividends are allowed to be paid in accordance with the constitution of the company.

Options

As no shares have been allotted or issued, no options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors' Interests in Shares of the Company or Related Bodies Corporate

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Indemnifying Officer or Auditor

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums for:

All the Directors and officers holding office during the financial year and for prior years.

Proceedings on Behalf of Company

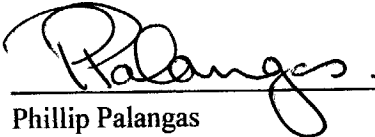
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not party to any such proceedings during the year.

DELTA SOCIETY AUSTRALIA LIMITED
Directors' Report

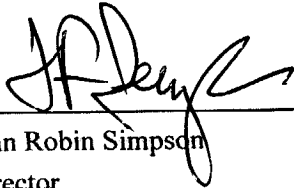
Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:



Phillip Palangas
Director



John Robin Simpson
Director

Dated: 25 October 2014

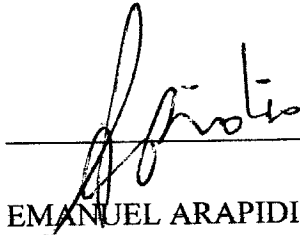
DELTA SOCIETY AUSTRALIA LIMITED ABN 81 078 280 592
Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF: DELTA SOCIETY AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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.

ARAPIDIS & PARTNERS PTY LTD
CHARTERED ACCOUNTANTS



EMANUEL ARAPIDIS-PRINCIPAL

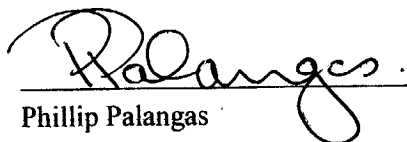
05/09/2014

DELTA SOCIETY AUSTRALIA LIMITED
Directors' Declaration

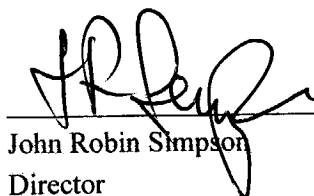
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date;
2. in the directors' 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.
3. the balance sheet gives a true and fair value of the state of affairs of the organisation with respect to fundraising appeals, and
4. the provision of the Charitable Fundraising Act 1991 (NSW), Collections for Charitable Purposes Act 1939 (SA), Collections for Charitable Purposes Act 2001 (TAS), Collections Act 1066 (QLD), the regulations under the Acts and the conditions attached to the fundraising authority have been complied with by the organisation, and
5. the accounts give a true and fair view of the state of affairs of the organisation with respect to fundraising appeals, and
6. the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any fundraising appeals.

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



Phillip Palangas
Director



John Robin Simpson
Director

Dated: 25 October 2014

DELTA SOCIETY AUSTRALIA LIMITED ABN 81 078 280 592
Independent Auditor Report

Scope

We have audited the financial report, being the Statement by Directors, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of DELTA SOCIETY AUSTRALIA LIMITED for the financial year ended 30 June 2014. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

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

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

Independence

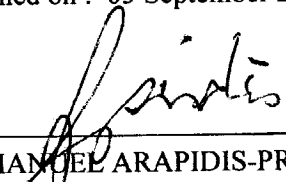
In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of DELTA SOCIETY AUSTRALIA LIMITED is in accordance with:

1. the Corporations Act 2001, including:
 - (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (b) complying with Accounting Standards and the Corporations Regulations.
2. The Charitable Fund Raising Act 1939 (NSW), Collections Act 1996 (QLD), Collections for Charitable Purposes Act 1939 (SA), Collections for Charitable Purposes Act 2001 (TAS) and other mandatory professional reporting requirements.

Signed on : 05 September 2014



EMANUEL ARAPIDIS-PRINCIPAL
ARAPIDIS & PARTNERS PTY LTD
CHARTERED ACCOUNTANTS

DELTA SOCIETY AUSTRALIA LIMITED
Detailed Profit and Loss Statement
For the year ended 30 June 2014

	2014	2013
	\$	\$
Income		
Other sales Revenue	319.54	1,559.97
CGC course fees	321,657.96	331,027.41
Sales of Merchandise revenue	1,081.83	208.59
Donations	23,216.46	22,876.37
Regional Sponsor		7,950.00
Adoptions Therapy dogs revenue	4,050.00	3,865.00
Planned Giving Revenue	252,850.00	220,590.00
Delta Dog Safe	14,140.91	13,830.00
Fundraising	23,279.81	10,253.03
Grants	28,740.00	36,600.00
Debbie Jesser Memorial Fund	12,000.00	
Red Bandanna Club	17,000.00	
Dogs that make a Difference	7,830.60	
DPDTA Membership	316.00	822.50
Delta membership fees	272.72	45.45
RSPCA School for Dogs Training	5,600.00	
Interest received	7,539.63	8,969.04
Other non-operating revenue	39,210.85	12,162.32
Club Grants	23,911.00	10,972.18
Corporate Sponsorship		8,146.90
Total income	783,017.31	689,878.76

DELTA SOCIETY AUSTRALIA LIMITED
Detailed Profit and Loss Statement
For the year ended 30 June 2014

	2014 \$	2013 \$
Expenses		
Audit fees	6,631.82	6,363.64
Animal Management Training	3,560.91	
Bank Fees And Charges	4,001.94	3,148.77
Classroom Canines		7,313.71
Cleaning/rubbish removal	1,632.57	1,868.96
CGC Course Expenses	191,924.66	166,182.95
Computer expenses	5,914.44	6,927.56
Therapy dog expenses	93,310.63	92,617.55
Consultants fees	36,437.04	45,120.00
Dog safe Expenses	16,852.69	14,029.03
Dementia project		266.56
Depreciation - plant	4,983.00	2,249.00
Electricity	2,565.46	2,233.89
Reportable Fringe benefits	65,570.59	63,175.22
General expenses	8,254.36	11,451.65
Insurance	8,656.17	14,130.20
Internet Expenses	1,662.23	826.31
Lifestart program		426.90
Materials & supplies		627.63
National Mkting & Fundraising	25,792.37	16,413.01
Postage	11,214.60	10,760.30
Printing & stationery	14,617.81	18,035.95
Rent on land & buildings	29,277.00	24,148.64
RSPCA School for Dogs Training	3,400.00	
Salaries - ordinary	172,976.94	140,583.50
Provision for annual leave	4,445.75	5,570.55
Provision for long service leave	2,484.00	7,439.95
Staff Recruitment costs	1,627.41	970.51
Subscriptions	1,329.57	1,734.09
Superannuation	16,000.34	12,481.30
Telephone	13,768.40	13,100.84
Meeting expenses	7,451.87	2,603.73
Workers compensation	3,494.38	
Total expenses	759,838.95	692,801.90

DELTA SOCIETY AUSTRALIA LIMITED
Detailed Profit and Loss Statement
For the year ended 30 June 2014

	2014	2013
	\$	\$
Profit from Ordinary Activities	<u>23,178.36</u>	<u>(2,923.14)</u>

DELTA SOCIETY AUSTRALIA LIMITED
Profit and Loss Statement and changes in equity statement
For the year ended 30 June 2014

	2014	2013
	\$	\$
Operating profit (deficit)	23,178.36	(2,923.14)
Income tax (credit) attributable to operating profit (loss)		
Operating profit after income tax	<u>23,178.36</u>	<u>(2,923.14)</u>
Retained profits at the beginning of the financial year	<u>313,927.63</u>	<u>316,850.77</u>
Total available for appropriation	337,105.99	313,927.63
Retained profits at the end of the financial year	<u><u>337,105.99</u></u>	<u><u>313,927.63</u></u>

DELTA SOCIETY AUSTRALIA LIMITED

ABN 81 078 280 592

Notes to the Financial Statements

For the year ended 30 June 2014

Statement of financial performance by states, territories and federal program

	Head Office	Mentoring Program	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total 2014	Total 2013	Total 2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income													
National Sponsorship												7,950	41,300
Regional Sponsorship											273	45	227
Membership Fees	273												
Federal Grants & Advances			4,740	24,000							28,740	36,600	13,074
State Grants & Advances	3,279		5,928	6,569	4,200	418	2,822				23,216	22,876	41,462
Other Grants & Advances			40,364	19,809							60,173	52,161	38,454
Donations											261,485	278,866	142,248
Seminars	261,485							1,000	500		17,000		742
CGC Course Income			4,500	1,000	10,000						4,050	3,865	14,670
Red Bandanna Club											252,850	220,590	202,464
Commissions Membership			500	1,000	2,300		6,000	11,900	5,125		14,141	13,830	18,269
Adoption Therapy Dogs			112,000	78,725	39,100			14,141			46,527	14,755	11,929
Planned Giveings											23,280	10,253	16,969
Dog Safe Program	46,527		10,138	338	9,863		1,160				7,540	8,969	12,246
Other Short-term Programs	1,781										23,911	10,972	8,500
Fundraising	7,540		22,911					1,000			19,831		
Interest Revenue											783,017	689,879	562,554
Club Grants													
Corporate Sponsorship	19,831												
Other Fundraising	340,716		201,081	131,441	65,463		6,418	32,023	5,875				
Total Revenue													
Expenses													
CGC Course expenses	99,401		82,311	10,213							191,925	173,763	115,912
Fundraising expenses	25,792										25,792	16,413	
Therapy Dog expenses	10,749		24,898	31,117	16,745		3,313	3,682	2,807		93,311	92,618	126,882
Delta Dog Safe expenses								16,853			16,853	14,029	10,910
Seminar expenses	36,437										36,437	45,120	
Consulting Fees												1,193	2,044
General expenses													
Delta Update expenses											8,593	1,869	835
Other Short-term Program expenses	8,593												
Travel & Accommodation	19,404										19,404	15,086	11,075
Administration	6,632										6,632	6,364	5,495
Audit & Accountancy fees	4,983										4,983	2,249	6,778
Depreciation	269,261										269,261	235,668	198,487
Employee costs & benefits	8,656										8,656	10,147	12,196
Insurance	22,232		1,702	1,081	147			603			25,832	28,796	35,264
Postage & stationery	29,277										29,277	24,149	26,166
Office rental	6,918		51	76	407						7,452	12,237	8,627
Meeting expenses	8,239		362	3,260	1,171		318	1,575	506		15,431	13,101	13,505
Telephone & communications													1,335
Legal fees & Accounting													1,444
Merchandise purchases	556,574		109,324	45,747	18,470		3,698	22,713	3,313		759,839	692,802	576,955
Total expenses												(2,923)	(14,401)
Surplus (deficit) for year											23,178		

DELTA SOCIETY AUSTRALIA LIMITED
Statement of Financial Performance - by Nature
For the year ended 30 June 2014

	Note	2014	2013
		\$	\$
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Classification of Expenses by Nature			
Revenues from ordinary activities		783,017.31	689,878.76
Depreciation and amortisation expenses		(4,983.00)	(2,249.00)
Other expenses from ordinary activities		(754,855.95)	(690,552.90)
Profit from ordinary activities		23,178.36	(2,923.14)
Income tax revenue relating to ordinary activities			
Net profit attributable to members of the company		23,178.36	(2,923.14)
		23,178.36	(2,923.14)

DELTA SOCIETY AUSTRALIA LIMITED
Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current Assets			
Cash assets	3	376,765.15	330,046.01
Receivables	4	123,542.76	80,473.76
Other	5	41,512.40	27,339.44
Total Current Assets		541,820.31	437,859.21
Non-Current Assets			
Property, plant and equipment	6	14,992.71	15,980.82
Total Non-Current Assets		14,992.71	15,980.82
Total Assets		556,813.02	453,840.03
Liabilities			
Current Liabilities			
Payables	7	85,259.64	62,683.66
Current tax liabilities			(3,536.33)
Provisions	8	52,623.66	45,693.91
Other		81,823.73	35,071.16
Total Current Liabilities		219,707.03	139,912.40
Total Liabilities		219,707.03	139,912.40
Net Assets		337,105.99	313,927.63
Equity			
Reserves	2	50,000.00	50,000.00
Retained profits		287,105.99	263,927.63
Total Equity		337,105.99	313,927.63

DELTA SOCIETY AUSTRALIA LIMITED
Detailed Statement of Financial Performance
For the year ended 30 June 2014

	2014	2013
	\$	\$
Income		
-Fundraising	23,279.81	10,253.03
-Donations	23,216.46	22,876.37
-CGC Course fees	321,657.96	331,027.41
-Delta Dog Safe	14,140.91	13,830.00
-Other non operating Revenue	45,892.68	20,517.81
-Other sales revenue	319.54	1,559.97
-Adoptions Therapy Dogs	4,050.00	3,865.00
-Planned Giving	252,850.00	220,590.00
-Regional Sponsors		7,950.00
Debbie Jesser Memorial Fund	12,000.00	
Red Bandanna Club	17,000.00	
Dogs that make a Difference	7,830.60	
-Club Grants	23,911.00	10,972.18
-Grants	28,740.00	36,600.00
-Delta Membership	272.72	45.45
-DPDTA Membership	316.00	822.50
-Interest received	7,539.63	8,969.04
Total income	<u>783,017.31</u>	<u>689,878.76</u>

DELTA SOCIETY AUSTRALIA LIMITED
Detailed Statement of Financial Performance
For the year ended 30 June 2014

	2014	2013
	\$	\$
Expenses		
CGC Course Expenses	191,924.66	173,763.22
Therapy Dog Expenses	93,310.63	92,617.55
Delta Dog Safe expenses	16,852.69	14,029.03
Other Short-term program expenses	1,632.57	1,868.96
Administration	19,403.70	15,086.43
Employee costs & benefits	269,261.48	235,608.10
Audit fees	6,631.82	6,363.64
Animal Management Training	3,560.91	
Consultants fees	36,437.04	45,120.00
Depreciation - plant	4,983.00	2,249.00
General expenses		426.90
Insurance	8,656.17	10,146.89
National Mktng & Fundraising	25,792.37	16,413.01
Postage & stationery	25,832.41	28,796.25
Rental Office	29,277.00	24,148.64
Meeting expenses	7,451.87	12,237.13
RSPCA Training Program	3,400.00	
Telephone	15,430.63	13,927.15
Total expenses	<u>759,838.95</u>	<u>692,801.90</u>
Profit from Ordinary Activities	<u>23,178.36</u>	<u>(2,923.14)</u>

DELTA SOCIETY AUSTRALIA LIMITED
Statement of Cash Flows
For the year ended 30 June 2014

	2014	2013
	\$	\$
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Cash Flow From Operating Activities		
Receipts from customers	732,408.68	695,359.72
Payments to Suppliers and employees	(675,061.32)	(728,903.87)
Interest received	7,539.63	8,969.04
Net cash provided by (used in) operating activities (note 2)	64,886.99	(24,575.11)
Cash Flow From Investing Activities		
Payment for: Pledges receivable	43,569.00	(14,455.00)
Payments for property, plant and equipment	(2,220.00)	(2,069.00)
Net cash provided by (used in) investing activities	41,349.00	(16,524.00)
Net increase (decrease) in cash held	46,719.14	(8,273.74)
Cash at the beginning of the year	330,046.00	338,319.74
Cash at the end of the year (note 1)	376,765.14	330,046.00

DELTA SOCIETY AUSTRALIA LIMITED
Statement of Cash Flows
For the year ended 30 June 2014

2014

2013

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank	376,765.15	330,046.00
	376,765.15	330,046.00

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit	23,178.36	(2,923.14)
Depreciation	4,983.00	2,249.00
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(43,069.00)	14,450.00
Increase (decrease) in trade creditors and accruals	22,575.98	12,958.32
Increase (decrease) in other creditors	46,752.57	(60,903.48)
Increase (decrease) in employee entitlements	6,929.75	13,010.50
Increase (decrease) in sundry provisions	3,536.33	(3,416.31)
Net cash provided by operating activities	64,886.99	(24,575.11)

DELTA SOCIETY AUSTRALIA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2014

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, the Charitable Fund Raising Act 1991 (NSW), Collections Act 1966 (QLD), Collections for Charitable Purposes Act 1939 (SA), Collections for Charitable Purposes Act 2001 (TAS) and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers DELTA SOCIETY AUSTRALIA LIMITED as an individual entity. DELTA SOCIETY AUSTRALIA LIMITED is a company limited by shares, incorporated and domiciled in Australia.

The financial report of DELTA SOCIETY AUSTRALIA LIMITED and the controlled entity and DELTA SOCIETY AUSTRALIA LIMITED as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

(A) Basis of Preparation

Adoption of Australian Equivalents to International Financial Reporting Standards

DELTA SOCIETY AUSTRALIA LIMITED has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from the 1 July 2005.

The accounting policies set out below have been consistently applied to all years presented. The entries have however elected to adopt exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer to the Notes for further details.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non – current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(B) Accounting Policies

Income tax

Delta Society Australia Limited is registered with the Australian Taxation Office as 'income Tax exempt'.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

DELTA SOCIETY AUSTRALIA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2014

Property, Plant and Equipment

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

a) 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.

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.

b) Plant and equipment

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

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

The cost of fixed assets constructed within DELTA SOCIETY AUSTRALIA LIMITED includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' 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 and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to DELTA SOCIETY AUSTRALIA LIMITED commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate %
Plant and equipment	[20 %]
Other plant and equipment	[30 %]
Furniture	[10 %]
Other	[15 %]

DELTA SOCIETY AUSTRALIA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2014

Leases

Delta Society Australia Limited has not entered into any lease agreements during the financial year with the exception for that of office rental.

Impairment of Assets

At each reporting date, the directors review the carrying of its tangible 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 assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impaired testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual's asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Intangibles

a) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

b) Research and Development Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised a systematic basis matched to the future economic benefits over the useful life of the project.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year and have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Provisions

Provision are recognised when DELTA SOCIETY AUSTRALIA LIMITED has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

DELTA SOCIETY AUSTRALIA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2014

Cash and Cash Equivalents

Cash and Cash equivalents include cash on hand, deposits held at call with banks or financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Borrowing Costs

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

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

a) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key estimates – Impairment

The directors assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts a number of key estimates.

DELTA SOCIETY AUSTRALIA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2014

No impairment has been recognised in respect of goodwill for the year ended 30 June 2014. Should the projected turnover figures be outside 90% of budgeted figures incorporated in value in use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill at 30 June 2014 amounting to \$Nil.

Key judgements – Doubtful debts provision

Included in accounts receivable at 30 June 2014 is an amount receivable from sales of \$123,543. The directors believe that the full amount of the debt is recoverable and no doubtful debt provision has been made at 30 June 2014.

DELTA SOCIETY AUSTRALIA LIMITED
ABN 81 078 280 592
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Note 2: Reserves		
Balance at the beginning of the reporting period		
- Special Reserve contributed by the Animal Welfare League NSW.	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Increase (decrease) in reserves during the reporting period:		
- Special Reserve	<u> </u>	<u> </u>
Balance at the reporting date		
- Special Reserve	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

Note 3: Cash assets

Bank accounts:		
- Newcastle Permanent -963413406	8,971	8,279
- Westpac Society Account -514448	39,540	25,897
- Geelong -Maxi Direct	7,046	3,845
- Westpac -Geelong	2,248	2,232
- Newcastle Permanent -971786501	2,079	1,505
- Newcastle Permanent -CMT 934428609	35,326	35,077
- Westpac DDS -Tasmania -188568	762	2,569
- Westpac Maxi Direct Account	280,793	250,642
	<u>376,765</u>	<u>330,046</u>

DELTA SOCIETY AUSTRALIA LIMITED
ABN 81 078 280 592
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Reconciliation of Cash:		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
- Cash	<u>376,765</u> <u>376,765</u>	<u>330,046</u> <u>330,046</u>
 Note 4: Receivables		
Current		
Pledges receivable	<u>123,543</u> <u>123,543</u>	<u>80,474</u> <u>80,474</u>
 Note 5: Other Assets		
Current		
Short term deposits	8,073	6,255
Prepayments	<u>33,439</u> <u>41,512</u>	<u>21,084</u> <u>27,339</u>
 Note 6: Property, Plant and Equipment		
Other plant and equipment:		
- At cost	70,712	66,717
- Less: Accumulated depreciation	<u>(55,719)</u> <u>14,993</u> <u>14,993</u>	<u>(50,736)</u> <u>15,981</u> <u>15,981</u>

DELTA SOCIETY AUSTRALIA LIMITED
ABN 81 078 280 592
Notes to the Financial Statements
For the year ended 30 June 2014

	2014	2013
Note 7: Payables		
Secured:		
- Trade creditors	85,260	62,684
	<u>85,260</u>	<u>62,684</u>
	<u>85,260</u>	<u>62,684</u>

Note 8: Provisions

Current

Employee entitlements*	52,624	45,694
	<u>52,624</u>	<u>45,694</u>
* Aggregate employee entitlements liability	52,624	45,694

There were 5 employees at the end of the year

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note: Statement of significant account policies.

DELTA SOCIETY AUSTRALIA LIMITED
Depreciation Schedule for the year ended 30 June, 2014

	Total	Priv	OWDV	DISPOSAL		ADDITION		DEPRECIATION		Priv	CWDV	PROFIT		LOSS	
				Date	Conslid	Date	Cost	Value	T			Rate	Deprec	Upto +	Above
OFFICE EQUIPMENT															
COMMANDER	869.00	0.00	290	0	0	0	0	290	D	100.00	290	0	0	0	0
INTERCOM & 3 PHONES SYD															
HP PROJECTOR	1,752.00	0.00	265	0	0	0	0	265	D	100.00	265	0	0	0	0
DISPLAY BOARDS	1,328.00	0.00	265	0	0	0	0	265	D	100.00	265	0	0	0	0
IKEA WORKSTATIONS	1,756.00	0.00	418	0	0	0	0	84	D	20.00	84	0	0	0	0
CABINET & FILING CAB	2,433.00	0.00	1,244	0	0	0	0	124	D	10.00	1,120	0	0	0	0
HP SERVER 2 ZIP	2,628.00	0.00	282	0	0	0	0	282	D	100.00	282	0	0	0	0
CRIVES & PRINTER SERVER															
MARQUE	1,359.00	0.00	425	0	0	0	0	85	D	20.00	85	0	0	0	0
VARIOUS PLANT	2,872.00	0.00	866	0	0	0	0	173	D	20.00	173	0	0	0	0
BROTHER MFC	1,363.00	0.00	518	0	0	0	0	104	D	20.00	104	0	0	0	0
SECURITY SYSTEM	700.00	0.00	285	0	0	0	0	285	D	100.00	285	0	0	0	0
VARIOUS EQUIPMENT	9,057.00	0.00	8,049	0	0	0	0	1,610	D	20.00	1,610	0	0	0	0
COMPUTER EQUIPMENT	2,655.00	0.00	1,209	0	0	0	0	242	D	20.00	242	0	0	0	0
LAPTOP, CAMERA & PRINTER	1,784.00	0.00	1,162	0	0	0	0	232	D	20.00	232	0	0	0	0
PC FOR FILEMAKER SERVER	612.00	0.00	342	0	0	0	0	92	D	27.00	92	0	0	0	0
BANNER FOR THERAPY DOGS SYD	328.00	0.00	253	0	0	0	0	253	D	100.00	253	0	0	0	0
BINDING MACHINE	573.00	0.00	475	0	0	0	0	95	D	20.00	95	0	0	0	0
TRAILER	1,559.00	0.00	1,408	0	0	0	0	282	D	20.00	282	0	0	0	0
SONY PROJECTOR	333.00	0.00	0	0	0	0	0	66	D	20.00	66	0	0	0	0
PORTABLE HARDDRIVES	343.00	0.00	0	0	0	0	0	60	D	20.00	60	0	0	0	0
OFFICE FURNITURE	500.00	0.00	0	0	0	0	0	48	D	11.25	48	0	0	0	0
OFFICE CHAIRS	1,044.00	0.00	0	0	0	0	0	46	D	11.25	46	0	0	0	0
	35,848		17,756					2,220		19,876	4,983	0	0	14,993	
										Deduct Private Portion	0				
										Net Depreciation	<u>4,983</u>				