

**DELTA SOCIETY AUSTRALIA  
LIMITED**

**Financial Statements  
For the year ended 30 June 2015**

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Directors' Report**

Your directors present this report on the company for the financial year ended 30 June 2015.

## Directors

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

<b>Name of Director</b>	<b>Qualifications</b>
Phillip Palangas	– BBus Accounting.
John Robin Simpson	– B.A. (Psych, Comp Sci), GAICD
Danielle Nelson	– MMktg, GDipBPsych, FIA, Cert IV (Hons)
Gaille Perry	– BVSc, BedSt, Dip Ed, MACVSc (Animal Behaviour) PhD
Kersti Seksel	– BVSc (Hons) MRCVS MA (Hons) FANZCVS DACVB DECAWBM
Michael Stanley Wilson	– B AppSci, M Env Eng Sci, MRACI CChem, MloD, MAICD, MIOSH
Margaret Conley	– BA (Hons), FAICD
James Critchley	– Resigned 22 <sup>nd</sup> April 2015

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	6	6
Danielle Nelson	6	5
John Robin Simpson	6	6
Gaille Perry	6	6
Kersti Seksel	6	6
Margaret Conley	3	3
Michael Wilson	3	1
Jim Critchley (Resigned 22 <sup>nd</sup> April 2015)	2	2

## 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 2015	30 June 2014
\$	\$
28,193	23,178

**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**

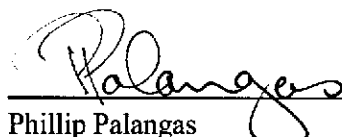
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not party to any such proceedings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

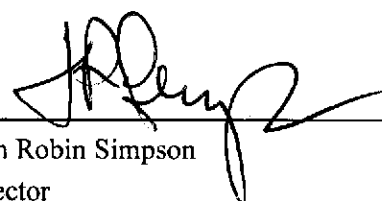
**DELTA SOCIETY AUSTRALIA LIMITED**  
**Directors' Report**

**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: 10 September 2015

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

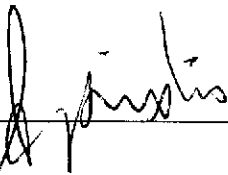
---

**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 2015 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

**03 August 2015**

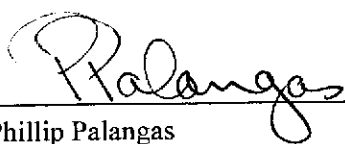
**DELTA SOCIETY AUSTRALIA LIMITED**  
**Directors' Declaration**

---

The directors of the company declare that:

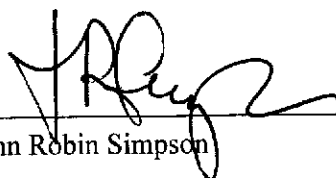
1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended 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: 10 September 2015

---

**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 2015. 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.

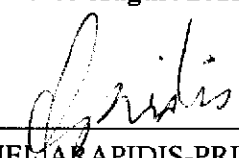
## **Audit opinion**

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 2015 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 : 03 August 2015**

---

  
EMANUEL ARAPIDIS-PRINCIPAL  
ARAPIDIS & PARTNERS PTY LTD  
CHARTERED ACCOUNTANTS

---

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
<b>Income</b>		
Other Sales Revenue		319.54
CGC Course fees	202,677.81	321,657.96
Sales of Merchandise revenue	1,462.03	1,081.83
Donations	24,748.82	23,216.46
Adoptions Therapy dogs revenue		4,050.00
Facility Donation	311,237.50	252,850.00
Delta Dog Safe	14,591.84	14,140.91
Fundraising	22,064.65	23,279.81
Grants	27,100.00	28,740.00
Debbie Jesser Memorial Fund	12,000.00	12,000.00
Red Bandanna Club	35,280.00	17,000.00
Dogs that make a Difference	6,581.18	7,830.60
DPDTA Membership	439.91	316.00
Delta Membership fees	727.26	272.72
RSPCA School for Dogs Training		5,600.00
Workplace Giving	1,867.31	
Appeals	16,195.14	
Dick Smith Appeal	10,000.00	
Nepean Trust	95,000.00	
Sheargold Foundation	15,000.00	
Non Accredited Training	51,860.00	
Interest received	6,685.03	7,539.63
Other non-operating revenue		39,210.85
Club Grants	10,000.00	23,911.00
<b>Total income</b>	<b>865,518.48</b>	<b>783,017.31</b>



**DELTA SOCIETY AUSTRALIA LIMITED**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2015**

	2015 \$	2014 \$
<b>Expenses</b>		
Audit fees	13,536.36	6,631.82
Animal Management Training		3,560.91
Bank Fees And Charges	4,552.43	4,001.94
Cleaning/rubbish removal	2,621.11	1,632.57
CGC Course Expenses	132,252.41	191,924.66
Computer expenses	6,476.27	5,914.44
Therapy dog expenses	118,005.02	93,310.63
Consultants fees		36,437.04
Dog safe Expenses	14,452.31	16,852.69
Delta Institute	4,881.72	
Depreciation - plant	3,621.00	4,983.00
Electricity	2,768.32	2,565.46
Reportable Fringe benefits	93,100.14	65,570.59
General expenses	2,542.17	8,254.36
Insurance	10,845.78	8,656.17
Internet Expenses	628.40	1,662.23
National Mkting & Fundraising	31,649.62	25,792.37
Non Accredited Training Expenses	1,691.13	
Postage	11,542.91	11,214.60
Printing & stationery	19,107.46	14,617.81
Rent on land & buildings	30,530.71	29,277.00
RSPCA School for Dogs Training	1,191.26	3,400.00
Salaries - ordinary	244,503.75	172,976.94
Provision for annual leave	8,443.06	4,445.75
Provision for long service leave	2,800.44	2,484.00
Staff Recruitment costs	5,736.00	1,627.41
Subscriptions	2,024.37	1,329.57
Superannuation	23,567.63	16,000.34
Telephone	16,411.17	13,768.40
Meeting expenses	25,312.43	7,451.87
Workers compensation	2,530.37	3,494.38
<b>Total expenses</b>	<b>837,325.75</b>	<b>759,838.95</b>
<b>Profit from Ordinary Activities</b>	<b>28,192.73</b>	<b>23,178.36</b>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Profit and Loss Statement and changes in equity statement**  
**For the year ended 30 June 2015**

	2015 \$	2014 \$
<b>Operating profit before income tax</b>	28,192.73	23,178.36
<b>Income tax (credit) attributable to operating profit (loss)</b>		
<b>Operating profit after income tax</b>	<u>28,192.73</u>	<u>23,178.36</u>
<b>Retained profits at the beginning of the financial year</b>	371,305.99	348,127.63
<b>Total available for appropriation</b>	<u>399,498.72</u>	<u>371,305.99</u>
<b>Retained profits at the end of the financial year</b>	<u><u>399,498.72</u></u>	<u><u>371,305.99</u></u>

DELTA SOCIETY AUSTRALIA LIMITED

ABN 81 078 280 592

Notes to the Financial Statements

For the year ended 30 June 2015

Statement of financial performance by states, territories and federal program

	Head Office	Mentoring Program	NSW	VIC	QLD	WA	SA	YAS	ACT	NT	Total 2015	Total 2014	Total 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>													
National Sponsorship													7,850
Regional Sponsorship													45
Memberships Fees	727										727	273	
Federal Grants & Advances													36,600
State Grants & Advances			10,319	4,280	250	300	2,350				27,100	28,740	22,876
Other Grants & Advances	649		42,323	18,659	8,701		500				60,982	60,173	52,161
Donations											141,696	261,485	278,866
Seminars	141,696										35,280	17,000	
CGC Course Income	980		6,300	4,000	22,500	500	1,000				51,860	4,050	3,865
Red Bandanna Club	51,860											252,850	220,590
Non Accredited Training												14,141	13,830
Adoption Therapy Dogs												46,527	14,755
Facility Donation	275		129,500	109,663	36,800	12,050	17,500	5,450			311,238	14,141	13,830
Dog Safe Program	8,483										14,592	14,141	13,830
Other Short-term Programs	91		6,231	2,692	10,059	202	2,790				22,065	23,280	10,253
Fundraising	6,685										6,685	7,540	8,969
Interest Revenue											10,000	23,911	10,972
Club Grants			10,000										8,147
Corporate Sponsorship													
Other Fundraising	150,061										150,061	19,831	
<b>Total Revenue</b>	361,507		204,673	163,794	78,310		13,052	38,732	5,450		865,518	783,017	689,879
<b>Expenses</b>													
CGC Course expenses	66,374		54,420	11,358	100						132,252	191,925	173,763
Fundraising expenses	31,650										25,792	25,792	16,413
Therapy Dog expenses	24,114		22,301	29,335	17,362		8,499	11,526	4,868		118,005	93,311	92,618
Delta Dog Safe expenses								14,452			14,452	16,853	14,029
Seminar expenses	40,580										40,580		
Consulting Fees	2,542										2,542	36,437	45,120
General expenses													1,193
Other Short-term Program expenses	7,843										7,843	8,593	1,869
Travel & Accommodation													
Administration	17,156										17,156	19,404	15,086
Audit & Accountancy fees	13,536										13,536	6,632	6,364
Depreciation	3,621										3,621	4,983	2,249
Employee costs & benefits	341,309										341,309	269,261	235,668
Insurance	10,846										10,846	8,656	10,147
Postage & stationery	25,086		2,837	1,254	1,052		411				30,650	25,832	28,796
Office rental	30,531										30,531	29,277	24,149
Meeting expenses	25,312		745	1,674	1,544		1,058				25,312	7,452	12,237
Telephone & communications	11,396										17,040	15,431	13,101
Legal fees & Accounting													
Merchandise purchases													
<b>Total expenses</b>	851,906		80,303	43,621	20,058		9,122	27,447	4,868		837,325	759,839	692,802
<b>Surplus (deficit) for year</b>											28,193	23,178	(2,923)

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Statement of Financial Performance - by Nature**  
**For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Classification of Expenses by Nature</b>			
Revenues from ordinary activities		865,518.48	783,017.31
Depreciation and amortisation expenses		(3,621.00)	(4,983.00)
Other expenses from ordinary activities		(833,704.75)	(754,855.95)
Profit from ordinary activities		<u>28,192.73</u>	<u>23,178.36</u>
Income tax revenue relating to ordinary activities		<u>28,192.73</u>	<u>23,178.36</u>
			34,200.00
Net profit attributable to members of the company		<u>28,192.73</u>	<u>57,378.36</u>
		<u>28,192.73</u>	<u>57,378.36</u>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Statement of Financial Position as at 30 June 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	3	475,300.96	376,765.15
Receivables	4	134,766.76	123,542.76
Other	5	47,864.87	41,512.40
<b>Total Current Assets</b>		<b>657,932.59</b>	<b>541,820.31</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	13,451.71	14,992.71
<b>Total Non-Current Assets</b>		<b>13,451.71</b>	<b>14,992.71</b>
<b>Total Assets</b>		<b>671,384.30</b>	<b>556,813.02</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	89,738.53	85,259.64
Provisions	8	63,867.16	52,623.66
Other		118,279.89	47,623.73
<b>Total Current Liabilities</b>		<b>271,885.58</b>	<b>185,507.03</b>
<b>Total Liabilities</b>		<b>271,885.58</b>	<b>185,507.03</b>
<b>Net Assets</b>		<b>399,498.72</b>	<b>371,305.99</b>
<b>Equity</b>			
Reserves	2	50,000.00	50,000.00
Retained profits		349,498.72	321,305.99
<b>Total Equity</b>		<b>399,498.72</b>	<b>371,305.99</b>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Detailed Statement of Financial Performance**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
<b>Income</b>		
Fundraising	22,064.65	23,279.81
Donations	24,748.82	23,216.46
CGC Course fees	202,677.81	321,657.96
Delta Dog Safe	14,591.84	14,140.91
Other non operating Revenue	1,462.03	45,892.68
Other sales revenue		319.54
Adoptions Therapy Dogs		4,050.00
Facility Donation	311,237.50	252,850.00
Appeals	16,195.14	
Debbie Jesser Memorial Fund	12,000.00	12,000.00
Red Bandanna Club	35,280.00	17,000.00
Dogs that make a Difference	6,581.18	7,830.60
Club Grants	10,000.00	23,911.00
Grants	27,100.00	28,740.00
Dick Smith Appeal	10,000.00	
Delta Membership	727.26	272.72
DPDTA Membership	439.91	316.00
Nepean Trust	95,000.00	
Sheargold Foundation	15,000.00	
Workplace Giving	1,867.31	
Non Accredited Training	51,860.00	
Interest received	6,685.03	7,539.63
<b>Total income</b>	<b>865,518.48</b>	<b>783,017.31</b>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Detailed Statement of Financial Performance**  
**For the year ended 30 June 2015**

	2015 \$	2014 \$
<b>Expenses</b>		
CGC Course Expenses	132,252.41	191,924.66
Therapy Dog Expenses	118,005.02	93,310.63
Delta Dog Safe Expenses	14,452.31	16,852.69
Delta Institute	4,881.72	
Other Short-term program Expenses	2,621.11	5,193.48
Administration	17,155.57	19,403.70
Employee costs & benefits	381,889.38	269,261.48
Audit fees	13,536.36	6,631.82
Consultants fees		36,437.04
Depreciation - plant	3,621.00	4,983.00
Insurance	10,845.78	8,656.17
National Mkting & Fundraising	31,649.62	25,792.37
Non Accredited Training Expenses	1,691.13	
Postage & Stationery	30,650.37	25,832.41
Rental Office	30,530.71	29,277.00
Meeting Expenses	25,312.43	7,451.87
RSPCA School for Dogs Training	1,191.26	3,400.00
Telephone	17,039.57	15,430.63
<b>Total expenses</b>	<b>837,325.75</b>	<b>759,838.95</b>
<b>Profit from Ordinary Activities</b>	<b>28,192.73</b>	<b>23,178.36</b>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	847,609.45	732,408.68
Payments to Suppliers and employees	(747,326.20)	(675,061.32)
Interest received	6,685.03	7,539.63
Net cash provided by (used in) operating activities (note 2)	106,968.28	64,886.99
<b>Cash Flow From Investing Activities</b>		
Payment for: Pledges receivable	11,224.00	43,569.00
Payments for property, plant and equipment	(2,080.00)	(2,220.00)
Net cash provided by (used in) investing activities	9,144.00	41,349.00
Net increase (decrease) in cash held	98,535.81	46,719.14
Cash at the beginning of the year	376,765.15	330,046.01
Cash at the end of the year (note 1)	475,300.96	376,765.14



**DELTA SOCIETY AUSTRALIA LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

2015

2014

**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	<u>475,300.96</u>	<u>376,765.15</u>
	<u>475,300.96</u>	<u>376,765.15</u>

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

Operating profit (loss) after tax	35,006.36	23,178.36
Depreciation	3,621.00	4,983.00
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(11,224.00)	(43,069.00)
Increase (decrease) in trade creditors and accruals	(2,334.74)	22,575.98
Increase (decrease) in other creditors	70,656.16	46,752.57
Increase (decrease) in employee entitlements	11,243.50	6,929.75
Increase (decrease) in sundry provisions	<u>                    </u>	<u>3,536.33</u>
Net cash provided by operating activities	<u>106,968.28</u>	<u>64,886.99</u>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

**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 2015**

**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 2015**

## **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 2015**

**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 or 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 2015**

No impairment has been recognised in respect of goodwill for the year ended 30 June 2015. 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 2015 amounting to \$Nil.

*Key judgements – Doubtful debts provision*

Included in accounts receivable at 30 June 2015 is an amount receivable from sales of \$134,767. The directors believe that the full amount of the debt is recoverable and no doubtful debt provision has been made at 30 June 2015.

**DELTA SOCIETY AUSTRALIA LIMITED**

**ABN 81 078 280 592**

**Notes to the Financial Statements**

**For the year ended 30 June 2015**

	2015	2014
<b>Note 2: Reserves</b>		
Balance at the beginning of the reporting period		
- Special Reserve contributed by the Animal Welfare League NSW.	<u>50,000</u>	<u>50,000</u>
	<u><b>50,000</b></u>	<u><b>50,000</b></u>
Increase (decrease) in reserves during the reporting period:		
- Special Reserve	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
Balance at the reporting date		
- Special Reserve	<u>50,000</u>	<u>50,000</u>
	<u><b>50,000</b></u>	<u><b>50,000</b></u>

**Note 3: Cash assets**

Bank accounts:		
- Newcastle Permanent -963413406	9,199	8,971
- Westpac Society Account -514448	14,613	39,540
- Geelong -Maxi Direct	11,511	7,046
- Westpac -Geelong	1,000	2,248
- Newcastle Permanent -971786501	2,079	2,079
- Newcastle Permanent -CMT 934428609	35,448	35,326
- Westpac DDS -Tasmania -188568	884	762
- Westpac Maxi Direct Account	<u>400,567</u>	<u>280,793</u>
	<u><b>475,301</b></u>	<u><b>376,765</b></u>

**DELTA SOCIETY AUSTRALIA LIMITED**  
**ABN 81 078 280 592**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

	2015	2014
<b>Reconciliation of Cash:</b>		
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	475,301	376,765
	<b>475,301</b>	<b>376,765</b>
 <b>Note 4: Receivables</b>		
<b>Current</b>		
Pledges receivable	134,767	123,543
	<b>134,767</b>	<b>123,543</b>
 <b>Note 5: Other Assets</b>		
<b>Current</b>		
Short term deposits	8,073	8,073
Prepayments	39,792	33,439
	<b>47,865</b>	<b>41,512</b>
 <b>Note 6: Property, Plant and Equipment</b>		
Other plant and equipment:		
- At cost	72,792	70,712
- Less: Accumulated depreciation	(59,340)	(55,719)
	<b>13,452</b>	<b>14,993</b>
	<b>13,452</b>	<b>14,993</b>



**DELTA SOCIETY AUSTRALIA LIMITED**  
**ABN 81 078 280 592**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

	2015	2014
<b>Note 7: Payables</b>		
Secured:		
- Trade creditors	89,739	85,260
	<u>89,739</u>	<u>85,260</u>
	<u><b>89,739</b></u>	<u><b>85,260</b></u>

**Note 8: Provisions**

**Current**

Employee entitlements*	63,867	52,624
	<u>63,867</u>	<u>52,624</u>
* Aggregate employee entitlements liability	63,867	52,624

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, 2015**

	Total	Priv	OWDV	DISPOSAL		ADDITION			DEPRECIATION			PROFIT		LOSS		
				Date	Consid	Date	Cost	Value	T	Rate	Deprec	Priv	CWDV	Upto + Above	Total -	Priv
<b>OFFICE EQUIPMENT</b>																
COMMANDER INTERCOM & 3 PHONES SYD	869.00	0.00	0	0	0	0	0	100.00	0	0	0	0	0	0	0	0
HP PROJECTOR	1,752.00	0.00	0	0	0	0	100.00	0	0	0	0	0	0	0	0	0
DISPLAY BOARDS	1,328.00	0.00	0	0	0	0	100.00	0	0	0	0	0	0	0	0	0
IKEA WORKSTATIONS	1,756.00	0.00	334	0	0	334	20.00	67	0	267	0	0	0	0	0	0
CABINET & FILING CAB	2,433.00	0.00	1,120	0	0	1,120	10.00	112	0	1,008	0	0	0	0	0	0
HP SERVER, 2 ZIP CRIVES & PRINTER SERVER	2,628.00	0.00	0	0	0	0	100.00	0	0	0	0	0	0	0	0	0
MARQUE	1,359.00	0.00	340	0	0	340	20.00	68	0	272	0	0	0	0	0	0
VARIOUS PLANT	2,872.00	0.00	693	0	0	693	20.00	139	0	554	0	0	0	0	0	0
BROTHER MFC	1,363.00	0.00	414	0	0	414	20.00	83	0	331	0	0	0	0	0	0
SECURITY SYSTEM	700.00	0.00	0	0	0	0	100.00	0	0	0	0	0	0	0	0	0
VARIOUS EQUIPMENT	9,057.00	0.00	6,439	0	0	6,439	20.00	1,288	0	5,151	0	0	0	0	0	0
COMPUTER EQUIPMENT	2,655.00	0.00	967	0	0	967	20.00	193	0	774	0	0	0	0	0	0
LAPTOP CAMERA & PRINTER	1,784.00	0.00	930	0	0	930	20.00	186	0	744	0	0	0	0	0	0
PC FOR FILEMAKER SERVER	612.00	0.00	250	0	0	250	100.00	250	0	0	0	0	0	0	0	0
BANNER FOR THERAPY DOGS SYD	328.00	0.00	0	0	0	0	100.00	0	0	0	0	0	0	0	0	0
BINDING MACHINE	573.00	0.00	380	0	0	380	20.00	76	0	304	0	0	0	0	0	0
TRAILER	1,559.00	0.00	1,126	0	0	1,126	20.00	225	0	901	0	0	0	0	0	0
SONY PROJECTOR	333.00	0.00	267	0	0	267	100.00	267	0	0	0	0	0	0	0	0
PORTABLE HARDDRIVES	343.00	0.00	283	0	0	283	100.00	283	0	0	0	0	0	0	0	0
OFFICE FURNITURE	500.00	0.00	452	0	0	452	11.25	51	0	401	0	0	0	0	0	0
OFFICE CHAIRS	1,044.00	0.00	998	0	0	998	11.25	112	0	886	0	0	0	0	0	0
PHONE SYSTEM	2,080.00	0.00	0	0	0	2,080	20.00	221	0	1,859	0	0	0	0	0	0
	37,928		14,993		0	2,080		3,621		0						
								17,073		0						
								Deduct Private Portion		0						
								Net Depreciation		3,621						