Te Rōpū Aukati Tūkino Kararehe

Group Consolidated

Financial Statements

for the year ended 30 June 2025

The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated (RNZSPCA) "SPCA"

Directory

Registered Office:
6 Rawiri Place, Hobsonville, Auckland

Charities Registration Number:
CC22705

Incorporation Number:
218546

SPCA Board Chair:
David Broderick

SPCA Board Vice Chair:
Jane Holland

SPCA Board Members:
Julie Sellar
Elizabeth Ryley
Jennifer McGowan
Gina Mills
Hannah Larsen
Andrew Taylor
Colin Dawson

Auditor:
KPMG Auckland

Bankers:
ASB Bank Limited
ANZ Bank Limited
Bank of New Zealand Limited
Westpac New Zealand Limited

Contents

Purpose

To advance animal welfare and prevent cruelty

Te kōkiri i ngā mahi atawhai kararehe me te aukati tūkino

Vision

All animal lives matter in our communities

He mea nui te oranga o ngā kararehe katoa kei ō tātau hapori

Founding ethos

We speak for those who cannot speak for themselves

He reo mātau mō rātau kāore e taea te kōrero

Values

Ka Kotahi Mātau
We are One

Ka Manaaki Mātau
We are Kind

Ka Māia Mātau
We are Brave

Ka Ora Mātau
We Serve

Ka Mahi Mātau
We Thrive

SPCA Financial Statements can be found at www.spca.nz

DRAFT

Independent Auditor's Report

To the members of The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated

Report on the audit of the consolidated financial report

Opinion

We have audited the accompanying consolidated financial report which comprises:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the consolidated statement of service performance on pages [X] to [X].

- In our opinion, the accompanying consolidated financial report of The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated (the Incorporated Society) and its subsidiaries (the Group) on pages [X] to [X] presents fairly in all material respects:
- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date; and
- the service performance for year ended 30 June 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.
- In accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**) and the audit of the statement of service performance in accordance with the New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (**NZ AS 1 (Revised)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 (Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial report* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises Directory included in the Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the consolidated financial report does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the members. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the members for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial report

The directors, on behalf of the Group, are responsible for:

— the preparation and fair presentation of the consolidated financial report in accordance with PBE Standards issued by the New Zealand Accounting Standards Board;
— implementing the necessary internal control to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error;
— the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards;
— the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with PBE Standards;
— overall presentation, structure and content of the service performance information in accordance with PBE Standards; and
— assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objective is:

- to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ and NZ AS 1 (Revised) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial report is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

This description forms part of our independent auditor’s report.

[Signature]

KPMG

[Office]

[Audit Report Date]

02 Statement of service performance

For the year ended 30 June 2025

OUR VISION	OUR PURPOSE
All animal lives matter in our communities	To advance Animal Welfare and prevent cruelty

SPCA's key areas of impact for animals and communities

Prevention

SPCA strives to improve animal welfare through science, advocacy and education.

- Championing animal law reform through advocacy to government and local bodies.
- Promoting responsible companion animal ownership, including a substantial desexing programme targeting fewer unwanted animals.
- Educating in schools to better inform future generations about animal welfare, sentience and responsible animal ownership.

Intervention

SPCA works to protect and seek justice through our inspectorate service, to achieve the right outcomes for animals.

- Protecting and rescuing animals in need.
- Seeking justice for vulnerable animals through prosecution.
- Using proactive measures such as infringement notices and early intervention practices.

Care

SPCA provides a safe haven for sick, injured, abused and vulnerable animals until they are well enough to go to their new forever home.

- Working proactively to rehabilitate and rehome animals ready for adoption.
- Optimising community-based foster care, to provide home environments and socialisation.
- Providing higher animal welfare outcomes for animals through the SPCA Certified programme.

2025 Data

Desexing

17,966
Animals microchipped and desexed during the year.

Desexing remains fundamental to SPCA activities, due to its profound impact on animal welfare and population control, helping to alleviate the burden on SPCA Centres, rescue shelters, and the community at large. It curbs the cycle of animal neglect, with fewer unwanted animals born.

Advocacy

55
Submissions on Animal Welfare issues in the last year.

SPCA will continue to push for animal law reform through evidence-based advocacy to government, supported by public-facing campaigns to encourage action by speaking up for lasting legislative change. Animals rely on us as their voice, to address critical issues such as animal cruelty, neglect and exploitation.

Education

1,260
Schools using the SPCA Teachers' Portal.

It is often said that the measure of a society can be determined by how it treats its most vulnerable - animals being among these. We believe education of our children is key to helping secure a better future for animals in New Zealand. These children are the animal guardians of tomorrow.

2024 Data

16,727
Animals microchipped and desexed during the year.

78
Submissions on Animal Welfare issues in the last year.

1,282
Schools using the SPCA Teachers' Portal.

2025 Data

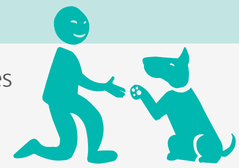
Prosecutions

55
Prosecution charges filed in Court.

SPCA is the only charity with the legal powers to bring animal offenders to justice under the Animal Welfare Act 1999, which provides our Inspectors powers to investigate cruelty, abuse and neglect. Education and advice is our first preference; by educating people on how to treat animals, we improve the care of animals in the community long term.

Adoptions

15,475
Animals successfully adopted.



SPCA provides a safe haven for sick, injured, abused and vulnerable animals until they are well enough to go to their new forever home. We work proactively to rehabilitate animals and rehome them once ready for adoption. We also work to reduce time spent in Centre.

SPCA Certified

492
Audits of certified facilities in the last year.

SPCA's animal welfare certification raises the bar of welfare for New Zealand's animals. We've spent two decades creating higher animal welfare standards, working closely with producers and distributors. The SPCA Certified logo can be found in supermarkets, helping Kiwi shoppers support higher welfare outcomes for farmed animals.

2024 Data

63
Prosecution charges filed in Court.

16,071
Animals successfully adopted.

341
Audits of certified facilities in the last year.

Key judgements made in the selection, measurement and presentation of information:

Management exercise judgment in deciding how to select, measure, aggregate, and present service performance information. This judgement focuses on determining the most appropriate and meaningful performance measures that are of particular value for accountability and decision-making purposes. Management have chosen to present the performance measures selected above, as these represent the most appropriate and meaningful measures for the Group. This included consideration of other information published in the Group's annual report, website and elsewhere.

03

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Revenue from exchange transactions	6	28,220	24,125
Revenue from non-exchange transactions	6	56,406	44,373
Other income		139	143
Total income		**84,765**	**68,641**
Animal expenses		(8,814)	(8,612)
Consultants		(261)	(243)
Depreciation and amortisation	12	(1,798)	(1,564)
Employee-related expenses	8	(43,072)	(38,831)
Lease expenses	21	(4,862)	(4,190)
Merchandise expenses		(889)	(763)
Other expenses		(13,622)	(11,711)
Travel and accommodation		(365)	(380)
Total expenses		**(73,683)**	**(66,294)**
Operating surplus/(deficit)		**11,082**	**2,347**
Finance income		5,750	4,279
Finance costs		(580)	(962)
Net finance income	7	**5,170**	**3,317**
Total surplus/(deficit) for the year		**16,252**	**5,664**
Other comprehensive revenue and expense			
Debt securities at fair value through other comprehensive revenue and expense - net change in fair value		56	256
Debt securities at fair value through other comprehensive revenue and expense - reclassified to surplus and deficit		142	418
Total comprehensive revenue and expenses		**16,450**	**6,338**

This statement needs to be read in conjunction with the notes to the financial statements

04

Consolidated statement of financial position

As at 30 June 2025

	Notes	2025 $000	2024 $000
Current assets			
Cash and cash equivalents	10	15,570	9,802
Investments	11	0	632
Receivables from exchange transactions	9	460	333
Prepayments		592	630
Inventories		92	93
GST receivable		378	271
Assets held for sale		1,231	896
		18,323	**12,657**
Non-current assets			
Investment in associates and joint ventures	25	0	17
Investments	11	49,093	44,311
Property, plant and equipment	12	76,594	68,011
		125,687	112,339
Total assets		**144,010**	**124,996**
Equity			
Reserves		40	(158)
Accumulated comprehensive revenue and expenses		126,633	110,381
Total equity		**126,673**	**110,223**
Current liabilities			
Trade and other payables	13	3,258	2,779
Employee entitlements		3,906	3,553
Income in advance		334	103
Loans and borrowings	15	0	0
Property funds held	16	8,956	8,281
		16,454	**14,716**
Non-current liabilities			
Deferred rent liability		883	57
Loans and borrowings	15	0	0
		883	**57**
Total liabilities		**17,337**	**14,773**
Total equity and liabilities		**144,010**	**124,996**

This statement needs to be read in conjunction with the notes to the financial statements

Approved for and on behalf of the Board

David Broderick (Board Chair): **Date: 22 October 2025**

Julie Sellar (ARC Chair): **Date: 22 October 2025**

05 Consolidated statement of changes in equity

For the year ended 30 June 2025

	Notes	Special projects reserve	Fair value reserve	Accumulated comprehensive revenue and expense	Total equity
Group 2025		$000	$000	$000	$000
Opening balance 30 June 2024		0	(158)	110,381	110,223
Total comprehensive income for the year		0	198	16,252	16,450
Movements in special projects reserve		0	0	0	0
Balance 30 June 2025	22	**0**	**40**	**126,633**	**126,673**
Group 2024					
Opening balance 30 June 2023		465	(832)	104,717	104,350
Total comprehensive income for the year		0	674	5,664	6,338
Movements in special projects reserve		(465)	0	0	(465)
Balance as at 30 June 2024	22	**0**	**(158)**	**110,381**	**110,223**

This statement needs to be read in conjunction with the notes to the financial statements

06

Consolidated statement of cash flows

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Cash flow from operating activities			
Cash provided from:			
Receipts from donations, grants and bequests		56,405	43,907
Receipts from the provision of goods and services		28,178	24,386
		84,583	68,293
Cash applied to:			
Payments to suppliers and employees		(69,917)	(64,610)
Net cash flow from/(applied to) operating activities	23	14,666	3,683
Cash flow from investing activities			
Cash provided from:			
Interest and dividends received		1,916	2,299
Sales of investments		819	10,582
Disposals of property, plant and equipment		896	1,288
Deposit received for future sale of property, plant and equipment		674	674
		4,305	14,843
Cash applied to:			
Acquisition and development of property, plant and equipment and intangible assets		(11,728)	(2,649)
Purchases of investments		(1,038)	(4,907)
Interest paid		(438)	(545)
Net cash flow from / (applied to) investing activities		(8,899)	6,742
Cash flow from financing activities			
Proceeds from loans and borrowings		0	(9,000)
Net cash from financing activities		0	(9,000)
Net increase / (decrease) in cash and cash equivalents		5,767	1,425
Cash and cash equivalents at the beginning of the year		9,802	8,377
Cash and cash equivalents at 30 June 2025		15,570	9,802

This statement needs to be read in conjunction with the notes to the financial statements

07 Notes to the consolidated financial statements

1. Reporting entity

The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated ("SPCA") is incorporated in New Zealand under the Incorporated Societies Act 1908 and is a registered charity under the Charities Act 2005. The primary objective of SPCA is to promote the humane treatment of animals and provide education services on animal welfare.

SPCA Group ("Group") consists of RNZSPCA incorporated, SPCA Social Enterprises Limited and SPCA Investments Limited.

2. Statement of compliance and basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the New Zealand Accounting Standards Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and as appropriate applies Tier 1 Not-For-Profit PBE IPSAS on the basis that total expenses are greater than $33 million.

2.1 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the initial measurement of assets and investments, which are measured at fair value. The accrual basis of accounting has been used.

SPCA's current assets have exceeded its current liabilities by $1,868k as at 30 June 2025 (2024: current liabilities exceeded current assets by $2,059k). As detailed in Note 16, the property funds held will be recorded in the statement of comprehensive revenue and expense on completion of the sale of Mangere property rather than requiring a cash outflow. In addition, in FY25 SPCA has achieved an operating surplus of $11,082k (2024 operating surplus of $2,347k); and has generated operating cash flows of $14,533k (2024: operating cash flows of $3,683k).

The Group has $49,093k of investments that could be converted to cash which will enable the Group to meet any immediate obligations.

On the basis of the above, the financial statements have been prepared on the assumption that SPCA will continue its operations for the foreseeable future. SPCA has assessed the ability of the charity to continue as a going concern and considers the use of the going concern assumption continues to be appropriate.

2.2 Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and SPCA's presentation currency. All financial information has been rounded to the nearest thousand dollars ($000) except where otherwise stated.

2.3 New pronouncements that will come into effect in subsequent period

A number of new standards are effective for annual periods beginning after 1 April 2024 with earlier application is permitted. The Group has not yet early adopted these new or amended standards in preparing the consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i) 2024 Omnibus Amendments to PBE standards 2024.
Omnibus Amendments to PBE Standards is an amending Standard that updates PBE IPSAS 1 and PBE IAS 12. The amendments to PBE IPSAS 1 provide further guidance on the current/non-current distinction in the Statement of Financial Position. Application of these amendments is required for accounting periods beginning on or after 1 January 2026. Application is permitted for accounting periods that begin before 1 January 2026 but have not ended or do not end before 21 November 2024. The amendments to PBE IAS 12 include disclosure requirements under the international tax reform. However, these amendments are not applicable to this entity because it is a charitable organisation exempt from income tax, and the group's revenue has not met the threshold of EUR 750 million or more in at least two of the last four years.

ii) The amending standard Insurance Contracts in the Public Sector.
The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026. Application is permitted for accounting periods that begin before 1 January 2026 but have not ended or do not end before 20 July 2023. The Group will continue to monitor this standard, any amendments and additional guidance from regulators to determine whether this will impact the financial statements of the Group.

3. Changes in accounting policies and disclosures

The accounting policies adopted in these financial statements are consistent with those of the previous period.

4. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Judgements made in applying accounting policies that have had the most significant effect on the amounts recognised in the consolidated financial statements include the following:

Revenue recognition – non-exchange revenue (conditions vs restrictions)

Revenue from non-exchange transactions is recognised as revenue when there are no contractual restrictions imposed by the giver requiring repayment if the revenue is unspent at balance date. Management makes a judgement on the value received, (where the revenue stream is not received in cash or is not easily measurable), and the existence of any conditions and restrictions attached to the revenue stream.

Revenue from bequests and legacies

Revenue in relation to a known legacy or bequest is not recognised until the revenue is measurable and probable. This includes a legacy or bequest that is being contested, has a life interest associated with its outcome or when SPCA has not been informed of the quantum thereof. If the documents are received from a third party before balance date, notifying SPCA with the certainty of the amount and timing of receipt, and if the legacy or bequest is received within one month of balance date, the legacy or bequest will be considered measurable and probable.

The useful life of property, plant and equipment ("PPE")

Management has made a judgement on the estimated useful life of all items of PPE. The PPE register for all asset classes, including depreciation rates, reflect the assets' remaining useful lives.

5. Summary of significant accounting policies

The significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below. 13

5.1 Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies to benefit from their activities.

In preparing the consolidated financial statements, all inter-entity balances and transactions and unrealised gains and losses arising within the consolidated entity are eliminated in full.

In the consolidated financial statements, the interest in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the entity's share of the surplus or deficit and other comprehensive revenue and expenses.

5.2 Taxes

SPCA is a registered charitable organisation and is therefore exempt from income tax under section CW41 of the Income Tax Act 2007.

5.3 GST

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

> When GST incurred on a purchase of an asset or service is not recoverable from the taxation authority; and

> Receivables or payables are stated GST inclusive.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from the investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

6. Revenue

	2025 $000	2024 $000
Revenue from exchange transactions		
Adoption income	2,200	2,113
Animal services	177	457
Membership income	5	6
Merchandise sales	731	811
Op shop sales	21,902	17,984
Other operating revenue	266	267
Royalties	2,170	1,833
Sponsorships	769	654
	28,220	**24,125**

Revenue from non-exchange transactions		
Donations	13,537	12,914
Government grants	6,600	6,605
Legacies and bequests	35,195	24,081
Fundraising, functions and events	29	19
Other grants	1,045	754
	56,406	**44,373**

During the financial year the SPCA Trust (formerly SPCA Auckland Trust) transferred $1,020k (2024: $1,484k) of treasury assets to SPCA. These were recorded at fair value at date of transfer and were recognised as donations.

Accounting policies

Revenue is recognised to the extent that it is probable that the economic benefit will flow into SPCA and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific criteria must be met before revenue is recognised.

6.1 Revenue from exchange transactions

Adoption income and op shop sales

Revenue from the sale of goods during ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and the possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be reliably measured, then the discount is recognised as a reduction of revenue as the sales are recognised.

Animal services

Revenue from services is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction. Amounts received in advance for services to be provided in future periods are recognised as a liability until the service is provided.

Sponsorship and membership income

Revenue is recognised throughout the membership/sponsorship, and once the conditions of the agreements have been met.

6.2 Revenue from non-exchange transaction

Non-exchange transactions are those where the Group receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Donations and grants

Donations and grants revenue are recognised when it becomes receivable unless SPCA has a liability to repay the donations if the conditions attached to the donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

Donated assets

Where a physical asset is donated or vested in SPCA for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in SPCA are recognised as revenue when control through ownership over the asset is obtained.

Volunteer services

SPCA would be unable to operate without the extensive volunteer services they receive from members, supporters, service groups and the public. These services relate to both revenue and service delivery. Principal volunteer services include helping at the shelters, op shops, street collectors, numerous small fundraising events sponsored by individuals and service clubs and board members who provide governance to SPCA. Generally, the contributions made by individuals are not recorded in detail. No complete record of hours is available, and the diverse nature of contribution and individuals involved means it is not possible to reliably value the services they provide. For this reason, the value of volunteer services is not recognised as revenue.

Legacies and bequests

Legacies and bequests are recognised through surplus or deficit when receipt of the bequest or legacy is probable, and the amount can be reliably measured.

Assets bequeathed to SPCA are included at fair value on the date title passes.

7. Net finance income/(cost)

	2025 $000	2024 $000
Interest income under effective interest method on:		
Cash and Cash equivalents	631	381
Corporate debt securities - at FVOCRE	129	344
Sovereign debt securities - at FVOCRE	5	23
Total interest income under effective interest method	765	748
Dividends	1,151	1,276
Net gain on derecognition reclassified from OCRE	243	0
Financial assets at FVTSD - net change in fair value	3,469	2,193
Net foreign exchange gain	122	62
Finance income	5,750	4,279
Financial liabilities measured at amortised cost - interest expense	(134)	(236)
Net loss from derecognition reclassified from OCRE	(142)	(418)
Treasury account fees	(304)	(308)
Finance costs	(580)	(962)
Net finance income	5,170	3,317

Accounting policies

Finance income and finance costs

SPCA's finance income and finance costs include:

> Interest income
> Dividend income
> Interest expense
> Gain/loss on financial assets at fair value through surplus or deficit
> Foreign currency gain or loss on financial assets and financial liabilities
> Interest income or expense is recognised using the effective interest method.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of SPCA entities at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on the historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the surplus or deficit.

Dividend income

Dividend income is recognised in the surplus or deficit on the date on which the Group's right to receive payment is established.

8. Employee-related expenses

	2025 $000	2024 $000
Wages and salaries	(42,833)	(38,585)
Other employee-related expenses	(239)	(246)
	(43,072)	(38,831)

Accounting policies

Defined contribution pension plans

KiwiSaver obligations for contributions to defined contribution pension plans are recognised as an expense through surplus or deficit when they are due.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by employee and the obligation can be estimated reliably.

9. Receivables from exchange transactions

	2025 $000	2024 $000
Trade receivables	407	325
Other receivables	53	8
	460	333
Current	460	333
	460	333

Accounting policies

Trade and other receivables are measured at amortised cost less allowance for impairment losses.

10. Cash and cash equivalents

	2025 $000	2024 $000
Bank balances	15,570	9,802
	15,570	9,802
Current	15,570	9,802
	15,570	9,802

Accounting policies

Cash and cash equivalents represent highly liquid investments, with original maturities of three months or less, that are readily convertible into a known amount of cash with an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between three and twelve months, depending on the immediate cash requirements of SPCA, and earn interest at the respective short-term deposit rates.

11. Investments

	2025 $000	2024 $000
Current investments		
Corporate debt securities - at FVOCRE	0	632
	0	632
Non-current investments		
Corporate debt securities - at FVOCRE	1,424	4,560
Sovereign debt securities - at FVOCRE	70	190
Equity securities (including REIT) and mutual funds - Mandatory at FVTSD	47,599	39,561
	49,093	44,311
Current	0	632
Non-current	49,093	44,311
	49,093	44,943

Corporate debt securities at fair value through other comprehensive revenue and expense have stated interest rates of 1.56 to 6.75% (2024: 1.75 to 6.53%) and mature in 1 to 6 years (2024: less than 1 to 6 years).

Information on the Group's exposure to credit and market risks, and fair value measurement, is included in note 18.

Accounting policies

Current investments comprise of deposits and term bonds. They are stated at the amount invested, including any amount subsequently compounded to the original amount invested. Where an investment is acquired in a non-exchange transaction for nil or nominal consideration, the investment is initially measured at its fair value.

12. Property, plant and equipment

	Land	Buildings	Plant and equipment	Medical plant and equipment	Fixtures and fittings	Motor vehicles	Computer equipment	Office equipment	Capital work in progress	Leased assets	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Costs											
Balance at 30 June 2023	33,727	31,377	425	410	3,455	3,430	185	119	882	0	74,010
Additions	0	0	56	50	565	450	72	0	1,457	0	2,650
Disposals	0	(140)	(38)	0	(12)	(92)	0	0	0	0	(282)
Reclassification to assets held for sale	(43)	(93)	0	0	0	0	0	0	0	0	(136)
Balance at 30 June 2024	33,684	31,144	443	460	4,008	3,788	257	119	2,339	0	76,242
Additions	0	4,893	93	46	648	221	374	13	4,607	840	11,735
Disposals	0	(4)	(14)	(102)	(236)	(373)	(25)	(71)	0	0	(825)
Reclassification to assets held for sale	(1,142)	(105)	0	0	0	0	0	0			(1,247)
Balance at 30 June 2025	32,542	35,928	522	404	4,420	3,636	606	61	6,946	840	85,905
Accumulated depreciation											
Balance at 30 June 2023	0	3,446	260	215	1,036	1,660	91	76	0	0	6,784
Disposals depreciation	0	(17)	(9)	0	(4)	(75)	0	0	0	0	(105)
Reclassification to assets held for sale	0	(12)	0	0	0	0	0	0	0	0	(12)
Depreciation 2024	0	666	45	47	300	450	50	6	0	0	1,564
Balance at 30 June 2024	0	4,083	296	262	1,332	2,035	141	82	0	0	8,231
Disposals depreciation	0	(1)	(13)	(100)	(142)	(352)	(23)	(55)	0	0	(686)
Reclassification to assets held for sale	0	(16)	0	0	0	0	0	0	0	0	(16)
Depreciation 2025	0	667	52	53	363	467	108	4	0	68	1,782
Balance at 30 June 2025	0	4,733	335	215	1,553	2,150	226	31	0	68	9,311
Carrying amounts											
At 30 June 2024	33,684	27,061	147	198	2,676	1,753	116	37	2,339	0	68,011
At 30 June 2025	32,542	31,195	187	189	2,867	1,486	380	30	6,946	772	76,594

12. Property, plant and equipment (continued)

Securities held

In order for SPCA to purchase the land in Wiri, a borrowing facility (refer Note 16) was obtained through the Westpac Banking Corporation. The facility is provided on the understanding that it does not exceed 40% of the value of the properties and that SPCA should retain at least $6,000k in treasuries during the term of the loan.

The properties listed below are held as security:

Security held over land - Wiri	Secured asset	Carrying value
Mortgage over specific properties	485 Puhinui Road, Wiri, Auckland	$15,000,000
	1 Torridon Street, North Dunedin, Dunedin	$2,747,843
	6 Rawiri Place, Hobsonville, Auckland	$8,074,004
	22 Harewood Road, Woodend, Invercargill	$1,663,367

Accounting policies

Recognition and measurement

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

Any assets that were gifted as part of the merger were initially measured at fair value.

Subsequent expenditure

After initial recognition, property, plant and equipment are measured using the cost model, being at cost less accumulated depreciation and impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Fixed assets have been depreciated at the following rates:

> Buildings	2% - 8%	per annum straight-line
> Plant and equipment	8.5% - 67%	per annum straight-line
> Medical plant and equipment	7% - 67%	per annum straight-line
> Fixtures and fittings	6% - 20%	per annum straight-line
> Motor vehicles	7% - 21%	per annum straight-line
> Computer equipment	21% - 67%	per annum straight-line
> Office equipment	17.5% - 30%	per annum straight-line

Land is not depreciated.

12. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the surplus or deficit.

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell or the value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The value in use is the depreciated replacement cost of an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where SPCA would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The carrying amounts of SPCA's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

13. Trade and other payables

	2025 $000	2024 $000
Trade payables	2,928	2,275
Other payables and accrued expenses	330	504
	3,258	2,779
Current	3,258	2,779
	3,258	2,779

Accounting policies

Trade and other payables are stated at amortised cost using the effective interest method.

14. Employee entitlements

Accounting policies

Wages, salaries and annual leave

Liabilities for wages and salaries and accumulating annual leave are recognised in the surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

15. Loans and borrowings

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred.
Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive revenue and expense over the period of the borrowing under the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. While the existing loan has been repaid in full the facility of $9m has been retained. The current interest rate relevant to this facility is 7.55%.

16. Property funds held

	2025 $000	2024 $000
Non-current liabilities		
Deposits received for future sale of property	8,956	8,281
	8,956	8,281

On the 1st October 2019, SPCA entered into a sale and purchase agreement to sell the property located at Māngere for $19,071k. The agreement assures continued occupancy throughout this period. Proceeds will be allocated towards the build of a new centre. In accordance with this sale and purchase agreement, a deposit to the value of $6,000k was received by 30 November 2019 and further amounts of $1,607k on 18 December 2020, $674k on 1 May 2024 and $674k on 8 July 2024. The property continues to be used for SPCA operational purposes. Final settlement will be determined when there is greater certainty as to the completion date of the new SPCA facility currently under development at Puhinui Rd Wiri. The property funds held represent the obligation to return the amounts paid should the sale not go ahead. There are no restrictions on the use of the cash received. Commercial and legal restrictions on the Māngere site are contractually in place through an unconditional sales and purchase agreement.

17. Financial instruments

Accounting policies

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised when SPCA becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTSD, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, the Group may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Derecognition

Financial assets are derecognised if SPCA's contractual rights to the cash flow from the financial assets expire or if SPCA transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if SPCA's obligations specified in the contract expire or are discharged or cancelled.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and cash flows of the modified liabilities are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCRE - debt investment; FVOCRE - equity investment; or FVTSD.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCRE. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Management model assessment

The Group makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and how information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs). as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTSD	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.
Debt investments at FVOCRE	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.
Equity investments at FVOCRE	These assets are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCRE and are never reclassified to surplus or deficit.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCRE.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be BBB- or higher per S&P rating agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCRE are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCRE, the loss allowance is charged to surplus or deficit and is recognised in OCRE.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Amortised financial liabilities

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Financial liabilities classified as amortised cost comprise cash and cash equivalents (bank overdrafts), trade and other payables, borrowings and finance lease payable.

18. Fair values and risk management

The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Accounting classification and fair values	Carrying value					Fair value			
	Mandatory at FVTSD	FVOCRE - debt instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
2025	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial assets measured at fair value									
Sovereign debt securities	0	70	0	0	70	70	0	0	70
Corporate debt securities	0	1,424	0	0	1,424	0	1,424	0	1,424
Equity securities	47,599	0	0	0	47,599	42,163	0	5,436	47,599
	47,599	1,494	0	0	49,093	42,233	1,424	5,436	49,093
Financial assets not measured at fair value									
Cash and cash equivalents	0	0	15,570	0	15,570				
Receivables from exchange transactions	0	0	460	0	460				
	0	0	16,030	0	16,030				
Financial liabilities not measured at fair value									
Trade payables	0	0	0	2,928	2,928				
	0	0	0	2,928	2,928				
2024									
Financial assets measured at fair value									
Sovereign debt securities	0	190	0	0	190	190	0	0	190
Corporate debt securities	0	5,192	0	0	5,192	0	5,192	0	5,192
Equity securities	39,561	0	0	0	39,561	36,817	0	2,744	39,561
	39,561	5,382	0	0	44,943	37,007	5,192	2,744	44,943
Financial assets not measured at fair value									
Cash and cash equivalents	0	0	9,802	0	9,802				
Receivables from exchange transactions	0	0	333	0	333				
	0	0	10,135	0	10,135				
Financial liabilities not measured at fair value									
Trade and other payables	0	0	0	2,275	2,275				
	0	0	0	2,275	2,275				

Measurement of fair value

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable input used.

Type	Valuation Technique	Significant unobservable
Corporate debt securities	Market approach: Combination of over the counter and/or NZDX market prices adjusted for illiquidity factors	Not applicable
Private equity securities	Calculation of net asset value	Total value of the assets and liabilities of private company

Level 3 fair values

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

Reconciliation of Level 3 fair values	Equity securities $000
Balance at 1 July 2023	2,589
Addition	357
Disposal	(295)
Net change in fair value	93
Balance at 30 June 2024	2,744
Balance at 1 July 2024	2,744
Addition	2,627
Disposal	0
Net change in fair value	65
Balance at 30 June 2025	5,436

Sensitivity analysis

For the fair values on equity securities – at FVTSD, reasonable changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Sensitivity analysis for Level 3	Surplus and deficit		Equity	
	5% increase $000	5% decrease $000	5% increase $000	5% decrease $000
30 June 2025				
Equity securities	272	(272)	272	(272)
30 June 2024				
Equity securities	137	(137)	137	(137)

18. Fair values and risk management (continued)

Financial risk management

SPCA has exposure to the following risks arising from financial instruments:

i. Credit risk
ii. Liquidity risk
iii. Market risk

Risk management framework

SPCA's board of directors has overall responsibility for the establishment and oversight of SPCA's risk management through the Audit and Risk Committee (ARC), which is responsible for developing and monitoring SPCA's risk management policies. The ARC reports regularly to the board of directors on its activities.

SPCA's risk management policies are established to identify and analyse the risks faced by SPCA, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and SPCA's activities. Through SPCA's training and management standards and procedures, SPCA aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance within SPCA's risk management policies & procedures and reviews the adequacy of the risk management framework concerning the risks faced by SPCA.

i. Credit risk

Credit risk is the risk of financial loss to SPCA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from SPCA's receivables from its customers and investments in debt securities.

Trade and other receivables

Trade and other receivables are not considered to have large amounts of exposure, and the maximum exposure is the carrying value of the trade and other receivables.

Cash and cash equivalents

SPCA held consolidated cash and cash equivalents of $9,802k at 30 June 2025 (2024: $8,377k). The cash and cash equivalents are held with banks and financial institutions. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least BBB from Rating Agency S&P.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by Rating Agency Moody's for each credit rating and are recalibrated based on current bond yields. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 30-40% except when a security is credit -impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate. Due to the high credit rating of debt securities, the expected credit loss amount is not considered material and no adjustment has been recognised in the financial statements for this.

The exposure to credit risk for debt securities at FVOCRE at the reporting date by geographic region was as follows.

Debt securities by geographical region	Carrying amount	
	2025 $000	2024 $000
NZ	1,494	5,382
	1,494	5,382

The following table presents an analysis of the credit quality of debt securities at FVOCRE.

Credit quality of debt securities at FVOCRE and FVTSD	Carrying amount	
	2025 $000	2024 $000
AAA	70	190
AA	50	396
AA-	105	1,138
A	137	279
A-	233	866
BBB+	464	1,628
BBB	307	677
NR	128	208
	1,494	5,382

The Group did not have any debt securities that were past due but not impaired at 30 June 2025 (30 June 2024: nil). All debt securities are subject to a 12-month expected credit loss (ECL) assessment.

ii. Liquidity risk

Liquidity risk is the risk that SPCA will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. SPCA's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable deficits or risking damage to SPCA's reputation. The group's financial liabilities mainly relate to trade and other payables which are due in less than 12 months.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices which will affect SPCA's income or the value of its holdings of financial instruments.

Currency Risk

SPCA's exposure to currency risk is minimal.

Interest rate risk

SPCA's exposure to interest rate risk is minimal. Group enters into fixed interest loan arrangements as detailed in Note 15.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Interest rate risk	2025 $000	2024 $000
Financial assets	1,494	5,382
	1,494	5,382

Fair value sensitivity analysis

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through surplus or deficit, therefore, a change in interest rates at the reporting date would not affect surplus or deficit.

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity of the Group by the amount shown below. This analysis assumes that all other variables remain constant.

Fair value sensitivity analysis for debt securities	Equity	
	100bp increase $000	100bp decrease $000
30 June 2025		
Debt securities	46	(44)
30 June 2024		
Debt securities	161	(154)

Other market price risk

The Group is exposed to equity price risk, which arises from investments measured at fair value through surplus or deficit. The management of the Group monitors the proportion of equity securities in this investment portfolio based on market indices. The primary goal of the Group's investment strategy is to maximise investment returns. Management is assisted by external advisers in this regard.

Sensitivity analysis – Equity price risk

All of the Group's listed equity investments are listed on either New Zealand's Stock Exchange or the New York Stock Exchange. For such investments classified as FVTSD a reasonable possible change of 3% at the reporting date would have increased (decreased) equity and surplus or deficit by the amounts shown below. This analysis assumes that all other variables remain constant.

Sensitivity analysis - Equity price risk	Surplus and deficit		Equity	
	3% increase $000	3% decrease $000	3% increase $000	3% decrease $000
30 June 2025				
Equity securities	1,427	(1,427)	1,427	(1,427)
30 June 2024				
Equity securities	1,187	(1,187)	1,187	(1,187)

19. Contingent assets or liabilities

There are no contingent assets or liabilities. (2024: Nil)

20. Capital commitments

SPCA is contractually committed to incur future capital expenditure of $1.5m with external parties. (2024: Nil)

21. Operating leases

Leases as lessee

SPCA leases some buildings facilities under operating leases. These typically run for three years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals.

SPCA leases some vehicles under operating leases. These leases typically run for a period of 3 - 5 years.

SPCA leases a range of equipment under operating leases, ranging from security cameras, dishwashers, radio telephones and copiers. These leases run for 3 - 5 years

	2025 $000	2024 $000
Lease Commitments		
Less than one year	4,637	3,579
Between one and five years	5,058	2,403
More than five years	37	0
	9,732	5,982

Amounts recognised in surplus or deficit		
Lease expense	4,862	4,190
	4,862	4,190

Accounting policies

SPCA has entered into many leases for its commercial properties and motor vehicles.

(i) Determining whether an arrangement contains a lease.
At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably that an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets.
Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

(iii) Lease payments.
Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Some leases provide for periodic fixed rent increases. Where the rent increase is based on fixed dollar amount or percentage increase, the contractual increase is reflected in the determination of the lease income and recognised on a straight-line basis over the lease term. Where the contractual increase is based on movements in the consumer price index this is accounted for as contingent rent and recognised as income in the period the increase occurs. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as expense on a straight-line basis over the lease term. Incentives granted to lessees in negotiating a new or renewed lease are recognised as a reduction of rental income straight-line over the lease term. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

22. Equity and reserves

Special project reserve

The WB Sheath Foundation was established through a bequest in 1994 for the benefit of education and other activities to promote public awareness of animal welfare. During FY23, the Foundation's Trustees resolved to deregister the Trust with all remaining funds transferred to RNZSPCA in December 2022.

23. Reconciliation of surplus with net cash from operating activities

	2025 $000	2024 $000
Cash flows from operating activities		
Surplus/(deficit) for the year	16,252	5,664
Adjustments for:		
Depreciation and impairment	1,798	1,564
Other expenses	(53)	0
Movement in reserves	0	(465)
Net finance costs	580	962
Net finance income	(5,750)	(4,279)
	(3,425)	(2,218)
Changes in:		
Inventories	2	1
Trade and other receivables	(223)	391
Prepayments	38	(276)
Trade and other payables	479	(244)
Provision for employee benefits	353	546
Deferred rent liability	826	42
Income in advance	231	(223)
Disposals from property, plant and equipment	0	0
	1,706	237
Net cash from operating activities	14,533	3,683

24. Related parties

Transactions with key management personnel

The table below depicts the aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration and who are on standard employment contracts. Members of SPCA Board do not receive emoluments. In previous years all members of the Senior Leadership Team and Area Managers were included as Key management personnel. In 2024, this has been changed to only include Senior Leadership.

Group	2025 $000	2024 $000
Key management personnel (senior leadership team and national area management)		
Total remuneration	1,613	1,317
Number of persons	8	7
Distribution received		
SPCA Trust (Formerly Auckland SPCA Trust)	1,020	1,484

25. Other expenses

	2025 $000	2024 $000
Other Expenses		
Other Expenses	13,525	11,618
Audit firm's service fees:		
Audit of Financial Statements	97	93
	13,622	11,711

26. Investments in associates and joint ventures

SPCA Social Enterprises Limited, a separate entity within SPCA has been created to separate out activities which carry out commercial activities. It is intended that initiatives such as the "Certified" programme, investment in Pet Depot and Op Shops be managed within this entity.

Pet Depot

SPCA has partnered with Pet Depot, an online pet store for animal lovers across the country looking for convenient ways to buy food, flea and worming treatments for their cats and dogs.

On 8th April 2020, SPCA Social Enterprises Limited obtained a 30% shareholding in Pet Depot (429 shares). Of the total shareholding, 10% (143 Shares) were purchased at a fair value of $100,000 with the additional 20% (286 shares) being received "in lieu of brand license fees" associated with the SPCA name. Additional payments were made on 28th September 2022 ($12,000), on 27th March 2023 ($10,500), 28th September 2023 ($10,500) and 28th May 2024 ($6,000). As at 30 June 2025 this investment has been written down to nil.

Certified

SPCA has had a long-standing certification programme (previously known as Blue Tick), which oversees the well-being of farming animals. The Blue Tick programme has been rebranded under "Certified". The scheme is royalty based and forms part of SPCA Social Enterprises Limited activities.

27. Subsequent events

The Directors are not aware of any other material events occurring after balance date of this report that would require further disclosure in these financial statements.


SPCA®
Together, we
can give them
a better life.