

***THE SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020***



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
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ADMINISTRATION

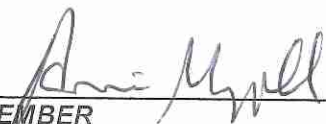
Committee members:	Dr A Marggraff	(Chairperson)
	S den Adel-Sheehama	(Vice-Chairperson)
	C Villet	(Treasurer)
	R Maasdorp	(Secretary)
	C Veldsman	
	J-L Diergaardt	
	J Tagg	
	L Alvarey	
	N Russmann	

STATEMENT BY THE COMMITTEE

The Committee is responsible for the preparation, integrity and objectivity of the financial statements and other information contained in this annual report. In order to discharge this responsibility, the Society maintains internal accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the Society's policies and procedures.

This Society, the Committee and the included financial statements represent the Society's activities in Windhoek and specifically included areas only and do not include or incur any responsibility for any societies referred to as "SPCA" situated outside the Windhoek area.

The annual financial statements for the year ended 30 June 2020 set out on pages 5 to 14 have been approved by the committee members and are signed by:



 MEMBER



 TREASURER

WINDHOEK
 28 October 2020



QUALIFIED REPORT OF THE INDEPENDENT AUDITORS

To the members of

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA

Qualification

In common with other similar Societies, there are not sufficient reliable controls to ensure completeness of revenue and we could not perform alternative procedures to obtain reasonable assurance that all revenue has been recorded completely.

In the year under review, The Society for the Prevention of Cruelty to Animals, Windhoek ("SPCA Windhoek") was run separately from The Society for the Prevention of Cruelty to Animals, Namibia ("SPCA Namibia"). After careful consideration of the legal structure it was decided to run everything under one operation as it has been done in the past, in SPCA Namibia. The separate disclosure is shown as clarity for the users of the financial statements.

Qualified opinion

We have audited the annual financial statements of The Society For The Prevention Of Cruelty To Animals, Windhoek set out on pages 5 to 14, which comprise the balance sheet as at 30 June 2020, and the notes to the annual financial statements, including a summary of significant accounting policies and the Committees' report.

In our opinion, except for the qualification above, the annual financial statements present fairly, in all material respects, the financial position of the Society as at 30 June 2020, in accordance with the Namibian Statement of Generally Accepted Accounting Practice – NAC 001: Financial Reporting for Small and Medium Sized Entities.

Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of the Committee for the annual financial statements

The Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Namibian Statement of Generally Accepted Accounting Practice – NAC 001: Financial Reporting for Small and Medium Sized Entities, and for such internal control as the Committees determine are necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the annual financial statements


Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committees' internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- ❖ Conclude on the appropriateness of the Committees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

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Auditor's responsibilities for the audit of the annual financial statements (continued)

- ❖ Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with him all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stier Vente Associates

**STIER VENTE ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)**

Per: A Stier
Partner

WINDHOEK, 28 October 2020



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
BALANCE SHEET AT 30 JUNE 2020

		<u>2020</u>	<u>2019</u>
		N\$	N\$
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	2	<u>1 012 901</u>	<u>1 037 904</u>
CURRENT ASSETS			
Trade and other receivables	3	131 796	208 119
Cash and cash equivalents – Namibia	6	75 690	1 098
Cash and cash equivalents – Windhoek Headquarters	7	<u>2 220 818</u>	<u>1 586 909</u>
		<u>2 428 304</u>	<u>1 796 126</u>
TOTAL ASSETS		<u>3 441 205</u>	<u>2 834 030</u>
 <u>EQUITY AND LIABILITIES</u>			
CAPITAL AND RESERVES			
Reserve fund	4	258 283	258 283
Accumulated loss SPCA Namibia (page 8)		(6 898)	(82 179)
Accumulated funds – Windhoek Headquarters (page 7)		<u>2 839 952</u>	<u>2 232 647</u>
		<u>3 091 337</u>	<u>2 408 751</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>349 868</u>	<u>425 279</u>
TOTAL EQUITY AND LIABILITIES		<u>3 441 205</u>	<u>2 834 030</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT – WINDHOEK HEADQUARTERS
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	N\$	N\$
<i>INCOME</i>		
<i>Adoption of animals</i>	510 813	437 652
<i>Bequests</i>	1 734 177	993 075
<i>Boarding fees</i>	225 830	226 517
<i>Discount received</i>	18 202	14 993
<i>Donations</i>	1 144 632	1 038 067
<i>Events income</i>	163 795	164 308
<i>Grants</i>	858 389	440 000
<i>Interest and dividends received</i>	91 084	132 245
<i>Medical expenses recovered and strays</i>	73 489	71 777
<i>Merchandise sales</i>	6 245	14 651
<i>Membership fees</i>	66 987	19 500
<i>Municipal grant</i>	<u>140 000</u>	<u>140 000</u>
	<u>5 033 643</u>	<u>3 692 785</u>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT – WINDHOEK HEADQUARTERS (continued)
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	N\$	N\$
<i>EXPENDITURE</i>		
<i>Advertising</i>	651	1 678
<i>Accounting fees</i>	48 000	64 888
<i>Audit fees</i>	25 000	17 225
<i>Bank charges</i>	32 176	26 180
<i>Cleaning</i>	32 330	33 901
<i>Depreciation</i>	54 653	51 014
<i>Insurance</i>	46 049	43 727
<i>Legal fees</i>	5 837	5 239
<i>Licenses and subscriptions</i>	12 366	9 752
<i>Medicines, veterinary services and pet foods</i>	1 333 772	1 662 345
<i>Motor vehicle repairs and fuel</i>	75 585	99 769
<i>Office expenses</i>	6 051	33 164
<i>Repairs and maintenance</i>	52 025	107 846
<i>Salaries, wages and rations</i>	2 298 000	2 312 767
<i>Security</i>	8 847	5 210
<i>Event and merchandise</i>	33 810	25 066
<i>Telephone and postage</i>	27 460	51 161
<i>VAT expense impaired</i>	207 059	65 573
<i>Water and electricity</i>	<u>126 667</u>	<u>92 363</u>
	<u>4 426 338</u>	<u>4 708 868</u>
<i>SURPLUS/(DEFICIT) FOR THE YEAR</i>	607 305	(1 016 083)
<i>ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR</i>	<u>2 232 647</u>	<u>3 248 730</u>
<i>ACCUMULATED FUNDS AT THE END OF THE YEAR</i>	<u>2 839 952</u>	<u>2 232 647</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT - NAMIBIA
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	N\$	N\$
<i>INCOME</i>		
<i>Grants, donations and bequests</i>	<u>80 615</u>	<u>13 002</u>
<i>EXPENDITURE</i>		
<i>Advertising</i>	-	1 035
<i>Bank charges</i>	734	1 311
<i>Computer expenses</i>	4 600	-
<i>Donation distribution</i>	-	10 050
<i>General expenses</i>	-	525
<i>Salaries</i>	<u>-</u>	<u>171 232</u>
	<u>5 334</u>	<u>184 153</u>
<i>SURPLUS/(DEFICIT) FOR THE YEAR</i>	75 281	(171 151)
<i>PRIOR YEAR ACCUMULATED DEFICIT</i>	<u>(82 179)</u>	<u>-</u>
<i>CURRENT DEFICIT</i>	<u>(6 898)</u>	<u>(82 179)</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	<u>2020</u>	<u>2019</u>
		N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and donations		5 106 219	3 932 858
Cash paid to suppliers and employees		<u>(4 459 152)</u>	<u>(5 148 234)</u>
Cash generated/(utilized) by operations	8	647 067	(1 215 376)
Interest and dividends received		<u>91 084</u>	<u>132 245</u>
Net cash inflow/(outflow) from operating activities		<u>738 151</u>	<u>(1 083 131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		<u>(29 650)</u>	<u>(26 888)</u>
Net cash outflow from investing activities		<u>(29 650)</u>	<u>(26 888)</u>
NET CASH INCREASE/(DECREASE) FOR THE YEAR		708 501	(1 110 019)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>1 588 007</u>	<u>2 698 026</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>2 296 508</u>	<u>1 588 007</u>
 THE BALANCE COMPRISES:			
Money on call and short-term deposits		1 966 211	1 511 699
Cash on hand and at bank		<u>330 297</u>	<u>76 308</u>
		<u>2 296 508</u>	<u>1 588 007</u>

Please note that the 2020 above amounts include the 2020 financial year of SPCA Windhoek and 2019 and 2020 year of SPCA Namibia.



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with the Namibian Statement of Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium Sized Entities using the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the profit and loss and conform to NAC 001.

The preparation of the financial statements in conformity with NAC 001 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates.

The following are the principal accounting policies of the Society which are consistent with those applied in prior years:

Revenue recognition

Revenue comprised the income received from donations, bequests, rent, pet adoptions and related activities.

Revenue is recognised to the extent that it is probable that the economic benefits will flow, and the amount of revenue can be reliably measured.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity.

Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables, trade payables and borrowings.

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the company will not be able to collect all amounts due according to the original terms or receivables.

Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2020

1. ACCOUNTING POLICY (continued)

Interest expense

The Society recognises interest and expenses in the income statement for all instruments measured at amortised cost using the effective interest method.

Employee benefits

The Society recognises in full employees' right to annual leave entitlement in respect of past service.

Staff bonuses are accounted for in the period to which they relate.

Provisions

Provisions are recognised when:

- the Society has a present legal or constructive obligation as a result of past events and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- a reliable estimate of the amount of the obligation can be made.

Property, plant and equipment

Land and buildings are not depreciated. Other property, plant and equipment are depreciated using the straight-line method at rates considered appropriate to reduce book values to estimated residual values over their expected useful lives.

2. PROPERTY, PLANT AND EQUIPMENT

	<u>Land and buildings</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Furniture & fittings</u>	<u>Total</u>
	N\$	N\$	N\$	N\$	N\$
Year ended 30/06/2020					
Opening net carrying amount	955 594	54 543	14 467	13 300	1 037 904
Additions	-	-	-	29 650	29 650
Depreciation	-	(38 239)	(6 584)	(9 830)	(54 653)
Closing net carrying amount	<u>955 594</u>	<u>16 304</u>	<u>7 883</u>	<u>33 120</u>	<u>1 012 901</u>
At 30/06/2020					
At cost	955 594	198 695	123 035	65 114	1 342 438
Accumulated depreciation	-	(182 391)	(115 152)	(31 994)	(329 537)
Net carrying amount	<u>955 594</u>	<u>16 304</u>	<u>7 883</u>	<u>33 120</u>	<u>1 012 901</u>
Depreciation rate	0%	20%	20%	20%	



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. **PROPERTY, PLANT AND EQUIPMENT (continued)**

	<u>Land and buildings</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Furniture & fittings</u>	<u>Total</u>
	N\$	N\$	N\$	N\$	N\$
Year ended 30/06/2019					
Opening net carrying amount	955 594	94 282	8 704	3 450	1 062 030
Additions	-	-	13 138	13 750	26 888
Depreciation	<u>-</u>	<u>(39 739)</u>	<u>(7 375)</u>	<u>(3 900)</u>	<u>(51 014)</u>
Closing net carrying amount	<u>955 594</u>	<u>54 543</u>	<u>14 467</u>	<u>13 300</u>	<u>1 037 904</u>
At 30/06/2019					
At cost	955 594	198 695	123 035	35 464	1 312 788
Accumulated depreciation	<u>-</u>	<u>(144 152)</u>	<u>(108 568)</u>	<u>(22 164)</u>	<u>(274 884)</u>
Net carrying amount	<u>955 594</u>	<u>54 543</u>	<u>14 467</u>	<u>13 300</u>	<u>1 037 904</u>
Depreciation rate	0%	20%	20%	20%	

	<u>2020</u>	<u>2019</u>
	N\$	N\$
Land and buildings consist of:		
At cost		
Additions - 1987	38 153	38 153
Additions - 1988	89 854	89 854
Additions - 1990	15 768	15 768
Additions - 1991	30 891	30 891
Additions - 1997	28 802	28 802
Additions - 1998	5 221	5 221
Additions - 2001	30 301	30 301
Additions - 2003	674 594	674 594
Additions - 2005	37 775	37 775
	<u>4 235</u>	<u>4 235</u>
	<u>955 594</u>	<u>955 594</u>

Land and buildings consist of Portion 39 (a portion of Portion B) of the Farm Windhoek Town and Townlands No 31, measuring 4746 m² with buildings thereon, held under Deed of Title No T1268/57.

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	N\$	N\$
3. TRADE AND OTHER RECEIVABLES		
<i>Prepaid insurance</i>	1 081	-
<i>VAT receivable</i>	129 655	207 059
<i>Deposits</i>	<u>1 060</u>	<u>1 060</u>
	<u>131 796</u>	<u>208 119</u>
<i>Note: VAT receivables outstanding for more than a year are provided for.</i>		
4. RESERVE FUND		
<i>Building reserve fund:</i>		
<i>Opening balance</i>	<u>258 283</u>	<u>258 283</u>
<i>Closing balance</i>	<u>258 283</u>	<u>258 283</u>
<i>The building reserve fund represents specific donations received for the building project less any costs incurred in respect thereof. Costs incurred are transferred to accumulated funds as the construction is implemented.</i>		
5. TRADE AND OTHER PAYABLES		
<i>Trade creditors</i>	147 959	190 642
<i>Salary related accruals</i>	190 235	229 364
<i>Staff savings</i>	<u>11 674</u>	<u>5 273</u>
	<u>349 868</u>	<u>425 279</u>
<i>The Committee consider the carrying amounts of trade and other payables to approximate their fair value.</i>		
6. CASH AND CASH EQUIVALENTS – NAMIBIA		
<i>First National Bank of Namibia Limited – Gold business account</i>	<u>75 690</u>	<u>1 098</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u>	<u>2019</u>
	N\$	N\$
7. CASH AND CASH EQUIVALENTS – WINDHOEK		
<i>First National Bank of Namibia Limited – Platinum business account</i>	180 465	58 839
<i>First National Bank of Namibia Limited –Business standard call account</i>	15 351	-
<i>Nedbank Namibia Limited – Current account</i>	55 591	13 172
<i>Capricorn Asset Management (*)</i>	1 966 211	1 511 699
<i>Cash floats</i>	<u>3 200</u>	<u>3 200</u>
	<u>2 220 818</u>	<u>1 586 909</u>
<i>(*) In the current year, the account earned interest at rates between 5.40% to 7.25%.</i>		
8. RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO CASH GENERATED/(UTILIZED) BY OPERATIONS		
<i>Surplus/(deficit) for the year</i>	682 586	(1 098 262)
<i>Adjusted for:</i>		
<i>- depreciation</i>	54 653	51 014
<i>- interest and dividends received</i>	(91 084)	(132 245)
<i>Operating surplus/(deficit) before working capital changes carried forward</i>	646 155	(1 179 493)
<i>Operating surplus/(deficit) before working capital changes brought forward</i>	646 155	(1 179 493)
<i>Working capital changes:</i>		
<i>- decrease/(increase) in trade and other receivables</i>	76 323	(141 486)
<i>- (decrease)/increase in trade and other payables</i>	<u>(75 411)</u>	<u>105 603</u>
<i>Cash generated/(utilized) by operations</i>	<u>647 067</u>	<u>(1 215 376)</u>
9. KEY MANAGEMENT PERSONEL REMUNERATION		
<i>SPCA Windhoek/Namibia – National Director</i>	<u>445 010</u>	<u>203 800</u>
<i>SPCA Windhoek – Director of operations</i>	<u>450 625</u>	<u>490 769</u>
<i>SPCA Windhoek – Shelter Veterinarian</i>	<u>389 400</u>	<u>32 450</u>

