

***THE SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS, WINDHOEK
(PREVIOUSLY DISCLOSED AS THE SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018***



**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, WINDHOEK
(PREVIOUSLY DISCLOSED AS THE SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS, NAMIBIA)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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ADMINISTRATION

Committee members:	Harald Bartsch Charlotte Veldsman Marianne Röder Annie Marggraff Bonita Graupe Eileen Grosse-Weischede Reinhard Redecker	(Acting Chairperson) (Treasurer) (Secretary)
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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 Society For The Prevention Of Cruelty To Animals, Windhoek is a branch to The Society For The Prevention Of Cruelty To Animals, Namibia and operates under its welfare registration.

The annual financial statements for the year ended 30 June 2018 set out on pages 5 to 13 have been approved by the committee members and are signed by:

MEMBER

WINDHOEK
17 October 2018

TREASURER





QUALIFIED REPORT OF THE INDEPENDENT AUDITORS

To the members of

**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, WINDHOEK
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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 addition, The Society for the Prevention of Cruelty to Animals, Windhoek ("SPCA Windhoek") previously traded under the name of The Society for the Prevention of Cruelty to Animals, Namibia ("SPCA Namibia"). There has however been a drive over the past few years to align the structures of the various SPCA's around Namibia to conform with the original intention and constitution, thus resulting in the trading name as indicated above. This process is underway and as such there is some uncertainty about the current state of structures. This has the impact that there is uncertainty regarding the ownership of the property as disclosed in the financials under note 2, land and buildings, as the title deed refers to Namibia, but these are the financial statements referring to Windhoek. Although the SPCA Windhoek has occupation on the property, we cannot confirm the legal rights over the property until the structures have been finalized.

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 13, which comprise the balance sheet as at 30 June 2018, 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 2018, in accordance with Statements of Generally Accepted Accounting Practice in Namibia – 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 Trust in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits 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 Statements of Generally Accepted Accounting Practice in Namibia – 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 Trustees'.*
- ❖ *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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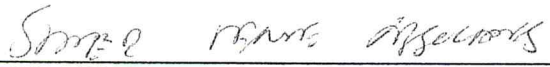


Auditor's responsibilities for the audit of the annual financial statements (continued)

- ❖ 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
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)

Per: A Stier
Partner

WINDHOEK, 17 October 2018



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, WINDHOEK
(PREVIOUSLY DISCLOSED AS THE SOCIETY FOR THE PREVENTION OF CRUELTY
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BALANCE SHEET AT 30 JUNE 2018

		<u>2018</u>	<u>2017</u>
		N\$	N\$
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	2	<u>1 062 030</u>	<u>1 102 927</u>
CURRENT ASSETS			
Cash and cash equivalents		2 698 026	2 271 839
Trade and other receivables	3	<u>66 633</u>	<u>44 096</u>
		<u>2 764 659</u>	<u>2 315 935</u>
TOTAL ASSETS		<u>3 826 689</u>	<u>3 418 862</u>
 <u>EQUITY AND LIABILITIES</u>			
CAPITAL AND RESERVES			
Reserve fund	4	258 283	258 283
Accumulated funds		<u>3 248 730</u>	<u>2 831 095</u>
		<u>3 507 013</u>	<u>3 089 378</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>319 676</u>	<u>329 484</u>
TOTAL EQUITY AND LIABILITIES		<u>3 826 689</u>	<u>3 418 862</u>



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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	<u>2018</u>	<u>2017</u>
	N\$	N\$
<i>INCOME</i>		
<i>Adoption of animals</i>	424 680	455 353
<i>Boarding fees</i>	283 270	309 193
<i>Campaign fund - Kennel Campaign renovation donation</i>	-	24 300
<i>Discount received - (Vet expenses)</i>	-	30 946
<i>Donations and street collections</i>	1 645 797	538 984
<i>Events income</i>	523 150	102 636
<i>Grants and bequests</i>	1 144 188	1 462 905
<i>Interest and dividends received</i>	148 950	166 874
<i>Medical expenses recovered and strays</i>	55 205	43 003
<i>Membership fees</i>	33 300	36 000
<i>Microchip dog tags / office sales</i>	148 835	6 257
<i>Municipal grant</i>	275 000	250 000
<i>Profit on sale of fixed assets</i>	<u>-</u>	<u>16 100</u>
	<u>4 682 375</u>	<u>3 442 551</u>



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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	<u>2018</u>	<u>2017</u>
	N\$	N\$
EXPENDITURE		
<i>Advertising</i>	14 085	11 733
<i>Accounting fees</i>	73 771	36 000
<i>Audit fees</i>	6 400	5 900
<i>Bank charges</i>	19 913	21 473
<i>Cleaning</i>	21 541	24 106
<i>Depreciation</i>	40 897	42 678
<i>Insurance</i>	40 240	40 288
<i>Legal fees</i>	4 412	2 045
<i>Licenses and subscriptions</i>	6 033	11 126
<i>Medicines and veterinary services</i>	996 737	1 033 517
<i>Microchips</i>	84 923	84 468
<i>Motor vehicle repairs and fuel</i>	77 437	83 792
<i>Office expenses</i>	8 675	3 115
<i>Pet food</i>	204 848	684 285
<i>Refund - adoption / warding</i>	-	2 890
<i>Repairs and maintenance</i>	133 118	89 281
<i>Spay Campaign - Donation</i>	2 600	12 282
<i>Salaries, wages and rations</i>	2 214 451	1 358 614
<i>Security</i>	4 869	5 148
<i>Stationery and printing</i>	15 172	22 935
<i>Telephone and postage</i>	49 100	43 348
<i>VAT expense accrual</i>	123 298	-
<i>VAT receivable impaired</i>	-	57 297
<i>Water and electricity</i>	<u>122 220</u>	<u>111 783</u>
	<u>4 264 740</u>	<u>3 788 104</u>
SURPLUS/(DEFICIT) FOR THE YEAR	417 635	(345 553)
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR	<u>2 831 095</u>	<u>3 176 648</u>
ACCUMULATED FUNDS AT THE END OF THE YEAR	<u>3 248 730</u>	<u>2 831 095</u>



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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Note	<u>2018</u>	<u>2017</u>
		N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and donations		4 062 768	3 475 471
Cash paid to suppliers and employees		<u>(3 785 531)</u>	<u>(3 773 190)</u>
Cash generated/(utilised) by operations	6	277 237	(297 719)
Interest and dividends received		<u>148 950</u>	<u>166 874</u>
Net cash inflow/(outflow) from operating activities		<u>426 187</u>	<u>(130 845)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		-	(5 750)
Disposal of fixed assets		<u>-</u>	<u>25 000</u>
Net cash inflow from investing activities		<u>-</u>	<u>19 250</u>
NET CASH INFLOW/(OUTFLOW) FOR THE YEAR		426 187	(111 595)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>2 271 839</u>	<u>2 383 434</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>2 698 026</u>	<u>2 271 839</u>
THE BALANCE COMPRISES:			
Money on call and short-term deposits		2 039 454	1 839 229
Cash on hand and at bank		<u>658 572</u>	<u>432 610</u>
		<u>2 698 026</u>	<u>2 271 839</u>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with Namibian 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 sales 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.



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2018**

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 pas 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 30/06/2018					
Opening net carrying amount	955 594	128 586	14 147	4 600	1 102 927
Depreciation	-	(34 304)	(5 443)	(1 150)	(40 897)
Closing net carrying amount	<u>955 594</u>	<u>94 282</u>	<u>8 704</u>	<u>3 450</u>	<u>1 062 030</u>
At 30/06/2018					
At cost	955 594	198 695	109 897	21 714	1 285 900
Accumulated depreciation	-	(104 413)	(101 193)	(18 264)	(223 870)
Net carrying amount	<u>955 594</u>	<u>94 282</u>	<u>8 704</u>	<u>3 450</u>	<u>1 062 030</u>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 30/06/2017					
Opening net carrying amount	955 594	173 571	19 590	-	1 148 755
Additions	-	-	-	5 750	5 750
Disposals	-	(8 900)	-	-	(8 900)
Depreciation	-	(36 085)	(5 443)	(1 150)	(42 678)
Closing net carrying amount	<u>955 594</u>	<u>128 586</u>	<u>14 147</u>	<u>4 600</u>	<u>1 102 927</u>
At 30/06/2017					
At cost	955 594	198 695	109 897	21 714	1 285 900
Accumulated depreciation	-	(70 109)	(95 750)	(17 114)	(182 973)
Net carrying amount	<u>955 594</u>	<u>128 586</u>	<u>14 147</u>	<u>4 600</u>	<u>1 102 927</u>
Depreciation rate	0%	20%	20%	20%	

	<u>2018</u>	<u>2017</u>
	N\$	N\$

Land and buildings consist of:

At cost	38 153	38 153
Additions - 1987	89 854	89 854
Additions - 1988	15 768	15 768
Additions - 1990	30 891	30 891
Additions - 1991	28 802	28 802
Additions - 1997	5 221	5 221
Additions - 1998	30 301	30 301
Additions - 2001	674 594	674 594
Additions - 2003	37 775	37 775
Additions - 2005	4 235	4 235
	<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.



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	<u>2018</u>	<u>2017</u>
	N\$	N\$
3. TRADE AND OTHER RECEIVABLES		
Other receivables	-	300
VAT receivable	65 573	42 736
Deposits	<u>1 060</u>	<u>1 060</u>
	<u>66 633</u>	<u>44 096</u>
4. RESERVE FUND		
<i>Building reserve fund:</i>		
Opening balance	<u>258 283</u>	<u>258 283</u>
Closing balance	<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		
Trade creditors	151 943	216 319
Salary related accruals	<u>167 733</u>	<u>113 165</u>
	<u>319 676</u>	<u>329 484</u>
6. RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO CASH GENERATED/(UTILISED) BY OPERATIONS		
Surplus/(deficit) for the year	417 635	(345 553)
Adjusted for:		
- depreciation	40 897	42 678
- interest and dividends received	(148 950)	(166 874)
- profit on sale of fixed assets	<u>-</u>	<u>(16 100)</u>
Operating surplus/(deficit) before working capital changes	309 582	(485 849)



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<u>2018</u>	<u>2017</u>
	N\$	N\$
6. RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO CASH GENERATED/(UTILISED) BY OPERATIONS (continued)		
Working capital changes:		
- increase in trade and other receivables	(22 537)	33 010
- increase in trade and other payables	<u>(9 808)</u>	<u>155 120</u>
Cash (utilised)/generated by operations	<u>277 237</u>	<u>(297 719)</u>
7. CHIEF EXECUTIVE OFFICER REMUNERATION	<u>823 333</u>	<u>130 000</u>

