

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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ADMINISTRATION

Committee members:

<i>Reinhard Redecker</i>	
<i>Eileen Grosse-Weischede</i>	<i>(Secretary)</i>
<i>Stephanie Quarmby</i>	<i>(Treasurer)</i>
<i>Petra Scheurmann</i>	
<i>Wynand de Bod</i>	

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 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 2017 set out on pages 5 to 13 have been approved by the committee members and are signed by:

MEMBER

WINDHOEK
23 October 2017

TREASURER

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 small 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.

Qualified opinion

We have audited the annual financial statements of The Society For The Prevention Of Cruelty To Animals, Namibia set out on pages 5 to 13, which comprise the balance sheet as at 30 June 2017, 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 2017, 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.

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.*
- ❖ 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.*

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

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 VENDE ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)**

*Per: A Stier
Partner*

WINDHOEK, 23 October 2017

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
BALANCE SHEET AT 30 JUNE 2017

		<u>2017</u>	<u>2016</u>
		N\$	N\$
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	2	<u>1 102 927</u>	<u>1 148 755</u>
CURRENT ASSETS			
Cash and cash equivalents		2 271 839	2 383 434
Trade and other receivables	3	<u>44 096</u>	<u>77 106</u>
		<u>2 315 935</u>	<u>2 460 540</u>
TOTAL ASSETS		<u>3 418 862</u>	<u>3 609 295</u>
<u>EQUITY AND LIABILITIES</u>			
CAPITAL AND RESERVES			
Reserve fund	4	258 283	258 283
Accumulated funds		<u>2 831 095</u>	<u>3 176 648</u>
		<u>3 089 378</u>	<u>3 434 931</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>329 484</u>	<u>174 364</u>
TOTAL EQUITY AND LIABILITIES		<u>3 418 862</u>	<u>3 609 295</u>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
INCOME		
<i>Adoption of animals</i>	455 353	393 496
<i>Boarding fees</i>	309 193	338 057
<i>Campaign fund - Kennel Campaign renovation donation</i>	24 300	28 600
<i>Collections and events</i>	102 636	71 411
<i>Discount received - (Vet expenses)</i>	30 946	26 605
<i>Donation - First National Bank of Namibia Limited</i>	-	100 000
<i>Donations and street collections</i>	538 984	486 517
<i>Donations - E & L Lafrenz Trust</i>	-	360 000
<i>Donations - blanket campaign</i>	-	3 000
<i>Grants and bequests</i>	1 462 905	1 118 051
<i>Interest and dividends received</i>	166 874	146 773
<i>Medical expenses recovered and strays</i>	43 003	41 671
<i>Membership fees</i>	36 000	39 345
<i>Microchip and dog tags</i>	6 257	2 044
<i>Municipal grant</i>	250 000	-
<i>Profit on sale of fixed assets</i>	16 100	30 525
<i>Rent received</i>	-	20 000
<i>Sale of pet food</i>	-	1 217
<i>VAT expense recovered</i>	-	<u>45 729</u>
	<u>3 442 551</u>	<u>3 253 041</u>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
EXPENDITURE		
Advertising	11 733	5 880
Accounting fees	36 000	36 000
Audit fees	5 900	5 500
Bank charges	21 473	20 316
Cleaning	24 106	42 040
Depreciation	42 678	60 132
Insurance	40 288	44 223
Licences and subscriptions	11 126	8 026
Medicines and veterinary services	1 033 517	744 468
Meeting expense	-	830
Microchips	84 468	36 697
Motor vehicle repairs and fuel	83 792	80 730
Office expenses	3 115	2 398
Pet food	684 285	473 214
Professional fees	2 045	2 500
Refund - adoption / warding	2 890	3 807
Repairs and maintenance	89 281	46 946
Spay Campaign - Donation	12 282	27 793
Salaries, wages and rations	1 265 948	939 464
Security	5 148	5 170
Stationery and printing	22 935	40 142
Telephone and postage	43 348	31 460
Transport - staff	92 666	94 086
VAT receivable impaired	57 297	-
Walvis Bay SPCA expenditure	-	3 854
Water and electricity	<u>111 783</u>	<u>114 073</u>
	<u>3 788 104</u>	<u>2 869 749</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(345 553)	383 292
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR	<u>3 176 648</u>	<u>2 793 356</u>
ACCUMULATED FUNDS AT THE END OF THE YEAR	<u>2 831 095</u>	<u>3 176 648</u>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	<u>2017</u>	<u>2016</u>
		N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash receipts from customers and donations</i>		3 475 471	3 045 626
<i>Cash paid to suppliers and employees</i>		<u>(3 773 190)</u>	<u>(2 732 626)</u>
<i>Cash (utilised)/generated by operations</i>	6	(297 719)	313 000
<i>Interest and dividends received</i>		<u>166 874</u>	<u>146 773</u>
<i>Net cash (outflow)/inflow from operating activities</i>		<u>(130 845)</u>	<u>459 773</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Acquisition of fixed assets</i>		(5 750)	(108 695)
<i>Disposal of fixed assets</i>		<u>25 000</u>	<u>45 000</u>
<i>Net cash inflow/(outflow) from investing activities</i>		<u>19 250</u>	<u>(63 695)</u>
NET CASH (OUTFLOW)/INFLOW FOR THE YEAR		(111 595)	396 078
CASH AND CASH EQUIVALENTS		<u>2 383 434</u>	<u>1 987 356</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>2 271 839</u>	<u>2 383 434</u>
THE BALANCE COMPRISES:			
<i>Money on call and short-term deposits</i>		1 839 229	2 148 173
<i>Cash on hand and at bank</i>		<u>432 610</u>	<u>235 261</u>
		<u>2 271 839</u>	<u>2 383 434</u>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

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 30/06/2017					
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>

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 30/06/2016					
Opening net carrying amount	955 594	133 020	26 053	-	1 114 667
Additions	-	108 695	-	-	108 695
Disposals	-	(14 475)	-	-	(14 475)
Depreciation	-	(53 669)	(6 463)	-	(60 132)
Closing net carrying amount	<u>955 594</u>	<u>173 571</u>	<u>19 590</u>	<u>-</u>	<u>1 148 755</u>
At 30/06/2016					
At cost	955 594	252 095	109 897	15 964	1 333 550
Accumulated depreciation	<u>-</u>	<u>(78 524)</u>	<u>(90 307)</u>	<u>(15 964)</u>	<u>(184 795)</u>
Net carrying amount	<u>955 594</u>	<u>173 571</u>	<u>19 590</u>	<u>-</u>	<u>1 148 755</u>
Depreciation rate	0%	20%	20%	20%	
			<u>2017</u>		<u>2016</u>
			N\$		N\$
<i>Land and buildings consists of:</i>					
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			<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 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
3. TRADE AND OTHER RECEIVABLES		
Other receivables	300	-
VAT receivable	42 736	76 046
Deposits	<u>1 060</u>	<u>1 060</u>
	<u>44 096</u>	<u>77 106</u>
4. RESERVE FUND		
Building reserve fund:		
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 specified donations received for the building project less any costs incurred in respect thereof. Costs incurred are transferred to accumulated funds as the construction progresses.</i>		
5. TRADE AND OTHER PAYABLES		
Trade creditors	216 319	137 515
Salary related accruals	<u>113 165</u>	<u>36 849</u>
	<u>329 484</u>	<u>174 364</u>
6. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO CASH (UTILISED)/GENERATED BY OPERATIONS		
(Deficit)/surplus for the year	(345 553)	383 292
Adjusted for:		
- depreciation	42 678	60 132
- interest and dividends received	(166 874)	(146 773)
- profit on sale of fixed assets	<u>(16 100)</u>	<u>(30 525)</u>
Operating (deficit)/surplus before working capital changes	(485 849)	266 126

THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	N\$	N\$
6. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO CASH (UTILISED)/GENERATED BY OPERATIONS (continued)		
Working capital changes:		
- increase in trade and other receivables	33 010	42 218
- increase in trade and other payables	<u>155 120</u>	<u>4 656</u>
Cash (utilised)/generated by operations	<u>(297 719)</u>	<u>313 000</u>

7. CHIEF EXECUTIVE OFFICER REMUNERATION

During the year a Chief Executive Officer was appointed. Included in salaries and wages is an amount of N\$ 130 000 as remuneration to the officer.

***THE SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017***