

**THE SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019**



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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ADMINISTRATION

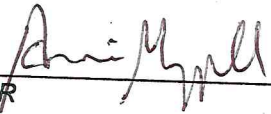
Committee members:	Annie Marggraff Charlotte Veldsman Marianne Röder Eileen Grosse-Weischede Reinhard Redecker Cristel Villet Ronel Lewies Saskia den-Adel Sheehama	(Acting Chairperson) (Treasurer) (Secretary)
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STATEMENT BY THE COMMITTEE

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 annual financial statements for the year ended 30 June 2019 set out on pages 5 to 14 have been approved by the committee members and are signed by:



 MEMBER



 TREASURER

WINDHOEK
 15 October 2019





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.

In the 2018 financial year the operations of the The Society For The Prevention Of Cruelty To Animals, Namibia were never accounted for in separate financial statements as was the intention of the Committee. Only the financial results of the The Society For The Prevention Of Cruelty To Animals, Windhoek Headquarters were disclosed in the 2018 year financial statements.

As such the committee decided to include in the current year, financial results of the of the previous year of The Society For The Prevention Of Cruelty To Animals, Namibia operations. This has been clearly disclosed on page 8 and 9 but is not correct in terms of acceptable accounting standards.

The Society relies heavily on funding from grants, donations and bequests to continue its operations. Considering the financial losses of the Society in the 2019 financial year, and the results for the first three months of the current year, serious doubt is caused over the continuance of the Society as a going concern without an increase in the receipt of grants, bequests and donations.

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 2019, 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 2019, in accordance with the Namibian Statement of Generally Accepted Accounting Practice – NAC 001: Financial Reporting for Small and Medium Sized Entities.

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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 sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) 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.

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.

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

- ❖ 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.
- ❖ 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, 15 October 2019



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
BALANCE SHEET AT 30 JUNE 2019

		<u>2019</u>	<u>2018</u>
		N\$	N\$
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	2	<u>1 037 904</u>	<u>1 062 030</u>
CURRENT ASSETS			
Cash and cash equivalents – Namibia		1 098	-
Cash and cash equivalents – Windhoek Headquarters		1 586 909	2 698 026
Trade and other receivables	3	<u>208 119</u>	<u>66 633</u>
		<u>1 796 126</u>	<u>2 764 659</u>
TOTAL ASSETS		<u>2 834 030</u>	<u>3 826 689</u>
 <u>EQUITY AND LIABILITIES</u>			
CAPITAL AND RESERVES			
Reserve fund	4	258 283	258 283
Accumulated loss SPCA Namibia (page 8)		(82 179)	-
Accumulated funds – Windhoek Headquarters (page 7)		<u>2 232 647</u>	<u>3 248 730</u>
		<u>2 408 751</u>	<u>3 507 013</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>425 279</u>	<u>319 676</u>
TOTAL EQUITY AND LIABILITIES		<u>2 834 030</u>	<u>3 826 689</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT – WINDHOEK HEADQUARTERS
FOR THE YEAR ENDED 30 JUNE 2019

	<u>2019</u>	<u>2018</u>
	N\$	N\$
<i>INCOME</i>		
<i>Adoption of animals</i>	437 652	424 680
<i>Boarding fees</i>	226 517	283 270
<i>Discount received</i>	14 993	-
<i>Donations</i>	1 038 067	1 645 797
<i>Events income</i>	164 308	590 308
<i>Grants and bequests</i>	1 433 075	1 144 188
<i>Interest and dividends received</i>	132 245	148 950
<i>Medical expenses recovered and strays</i>	71 777	55 205
<i>Merchandise sales</i>	14 651	148 835
<i>Membership fees</i>	19 500	33 300
<i>Municipal grant</i>	<u>140 000</u>	<u>275 000</u>
	<u>3 692 785</u>	<u>4 749 533</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT – WINDHOEK HEADQUARTERS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

	<u>2019</u>	<u>2018</u>
	N\$	N\$
EXPENDITURE		
Advertising	1 678	14 085
Accounting fees	64 888	73 771
Audit fees	17 225	6 400
Bank charges	26 180	19 913
Cleaning	33 901	21 541
Depreciation	51 014	40 897
Insurance	43 727	40 240
Legal fees	5 239	4 412
Licenses and subscriptions	9 752	6 033
Medicines and veterinary services	1 284 623	1 081 660
Motor vehicle repairs and fuel	99 769	77 437
Office expenses	33 164	23 847
Pet food	377 722	204 848
Repairs and maintenance	107 846	133 118
Spay Campaign - Donation	-	2 600
Salaries, wages and rations	2 312 767	2 214 451
Security	5 210	4 869
Small event and tag expenses	25 066	67 158
Telephone and postage	51 161	49 100
VAT expense impaired	65 573	123 298
Water and electricity	<u>92 363</u>	<u>122 220</u>
	<u>4 708 868</u>	<u>4 331 898</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(1 016 083)	417 635
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR	<u>3 248 730</u>	<u>2 831 095</u>
ACCUMULATED FUNDS AT THE END OF THE YEAR	<u>2 232 647</u>	<u>3 248 730</u>



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
INCOME STATEMENT - NAMIBIA
FOR THE YEAR ENDED 30 JUNE 2019

	<u>2018</u>
	N\$
<i>INCOME – 2018</i>	
<i>Donations and bequests</i>	<u>463 556</u>
 <i>EXPENDITURE – 2018</i>	
<i>Advertising</i>	23 048
<i>Audit fees</i>	4 775
<i>Bank charges</i>	151
<i>Computer expenses</i>	33 607
<i>Donations</i>	295 530
<i>General expenses</i>	8 341
<i>Legal fees</i>	7 015
<i>Veterinarian expenses</i>	<u>2 117</u>
	<u>374 584</u>
 <i>SURPLUS FOR THE YEAR</i>	 <u>88 972</u>
	 <u>2019</u>
	N\$
 <i>INCOME – 2019</i>	
<i>Donation</i>	10 050
<i>Donations and bequests</i>	<u>2 952</u>
	<u>13 002</u>
 <i>EXPENDITURE – 2019</i>	
<i>Advertising</i>	1 035
<i>Bank charges</i>	1 311
<i>Donation distribution</i>	10 050
<i>General expenses</i>	525
<i>Salaries</i>	<u>171 232</u>
	<u>184 153</u>
 <i>DEFICIT FOR THE YEAR</i>	 <u>(171 151)</u>
 <i>CURRENT DEFICIT</i>	 <u>(82 179)</u>

Note: During the 2018 and into the 2019 financial year there was a drive to separate the operations of SPCA Namibia and SPCA Windhoek. For several months of the year the two entities were run separately from one another.

After consideration of the legal framework and constitutions in place, it was decided to discontinue this practice and to correctly run both operations under one SPCA. The split in income statement above is done for disclosure purposes.

However, no financial statements were drawn up for SPCA Namibia operations in the 2018 financial year, therefore, both the 2018 and 2019 years are disclosed together in the 2019 financial year as can be seen above. In addition to this included in the donation expense of the 2018 financial period of SPCA Namibia to the amount of N\$ 135 641 is a donation income in the 2018 financial year of SPCA Windhoek.



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	Note	<u>2019</u>	<u>2018</u>
		N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and donations		3 932 858	4 062 768
Cash paid to suppliers and employees		<u>(5 148 234)</u>	<u>(3 785 531)</u>
Cash generated by operations	6	(1 215 376)	277 237
Interest and dividends received		<u>132 245</u>	<u>148 950</u>
Net cash (outflow)/inflow from operating activities		<u>(1 083 131)</u>	<u>426 187</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		<u>(26 888)</u>	-
Net cash inflow from investing activities		<u>(26 888)</u>	-
NET CASH (OUTFLOW)/INFLOW FOR THE YEAR		(1 110 019)	426 187
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>2 698 026</u>	<u>2 271 839</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>1 588 007</u>	<u>2 698 026</u>
THE BALANCE COMPRISES:			
Money on call and short-term deposits		1 511 699	2 039 454
Cash on hand and at bank		<u>76 308</u>	<u>658 572</u>
		<u>1 588 007</u>	<u>2 698 026</u>

Please note that the 2019 above amounts include the 2019 financial year of SPCA Windhoek and 2018 and 2019 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 2019

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 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 2019

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 30/06/2019					
Opening net carrying amount	955 594	94 282	8 704	3 450	1 062 030
Additions	-	-	13 138	13 750	26 888
Depreciation	-	(39 739)	(7 375)	(3 900)	(51 014)
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	-	(144 152)	(108 568)	(22 164)	(274 884)
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%	

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THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 30/06/2018					
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>
Depreciation rate	0%	20%	20%	20%	

	<u>2019</u>	<u>2018</u>
	N\$	N\$
<i>Land and buildings consist of:</i>		
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 2019

	<u>2019</u>	<u>2018</u>
	N\$	N\$
3. TRADE AND OTHER RECEIVABLES		
VAT receivable	207 059	65 573
Deposits	<u>1 060</u>	<u>1 060</u>
	<u>208 119</u>	<u>66 633</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 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	190 642	151 943
Salary related accruals	229 364	167 733
Staff training	<u>5 273</u>	<u>-</u>
	<u>425 279</u>	<u>319 676</u>
6. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO CASH (UTILIZED)/GENERATED BY OPERATIONS		
(Deficit)/surplus for the year	(1 098 262)	417 635
Adjusted for:		
- depreciation	51 014	40 897
- interest and dividends received	<u>(132 245)</u>	<u>(148 950)</u>
Operating (deficit)/surplus before working capital changes carried forward	(1 179 493)	309 582



THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, NAMIBIA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	<u>2019</u>	<u>2018</u>
	N\$	N\$
6. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO CASH (UTILIZED)/GENERATED BY OPERATIONS (continued)		
Operating (deficit)/surplus before working capital changes brought forward	(1 179 493)	309 582
Working capital changes:		
- increase in trade and other receivables	(141 486)	(22 537)
- increase in trade and other payables	<u>105 603</u>	<u>(9 808)</u>
Cash (utilized)/generated by operations	<u>(1 215 376)</u>	<u>277 237</u>
7. KEY MANAGEMENT PERSONEL REMUNERATION		
SPCA Namibia – Chief Executive Officer	<u>171 232</u>	-
SPCA Windhoek – Chief Executive Officer	<u>203 800</u>	<u>823 333</u>
SPCA Windhoek – General Manager	<u>490 769</u>	-