

Speak Out For Animals

**Financial Statements
For the year ended 31 December 2020**

SPEAK OUT FOR ANIMALS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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SPEAK OUT FOR ANIMALS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

GENERAL INFORMATION

BUSINESS

Speak Out For Animals is a non-governmental organisation dedicated to protect animals through the legal system. Its mission is to influence the human mindset and inspire behaviour change towards animal protection and preservation laws. It is committed to combating wildlife crime by using the legal system to develop requisite legal literature and, also conducts trainings that advocate for the appreciation and understanding of wildlife law in Zimbabwe and Africa at large.

REGISTERED OFFICE

The organisation's administration is located at 157 Richwell Avenue, Meyrick Park, Harare, Zimbabwe

BOARD OF TRUSTEES

Farai Joy Zininga
Frank Aurelious Rudolph
Kudzaishe Vhoko
Patience Hwupenyu Chinoda

DIRECTOR

Ever Vimbai Chinoda

AUDITORS

Rockstone Chartered Accountants
P. O. Box BW495
Borrowdale
Harare
08644 282 305
info@rockstone.co.zw
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PRESENTATION CURRENCY

United States Dollars

SPEAK OUT FOR ANIMALS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEE'S RESPONSIBILITY STATEMENT AND APPROVAL

The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with financial provisions of the organisation's policies and guidelines. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the modified cash basis and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Trustees are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on pages 5 to 8.

The financial statements set out on pages 9 to 18, which have been prepared on the going concern basis, were approved by the Board of Trustees and were signed on its behalf by:



TRUSTEE



DIRECTOR

Date of Approval: 15 July 2021

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF SPEAK OUT FOR ANIMALS

Opinion

We have audited the accompanying financial statements of Speak Out For Animals, set out on pages nine to eighteen, which comprise the statement of financial position as at 31 December 2020, statement of income and expenditure, statement of changes in reserves, the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Speak Out For Animals as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with the accounting policies set out in note 2 to the financial statements.

Basis for 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 Speak Out For Animals in accordance with the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe and we have fulfilled our other ethical responsibilities under these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. Basis of accounting

We draw attention to note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared in accordance with the organisation's own accounting policies and guidelines to satisfy the financial information needs of the organisation and funding partners. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

2. Grants and Donations

The organisation, in common with other organisations of a similar nature, derives a substantial amount of its income from grants and donations, which cannot be fully controlled until they are recorded in the accounting records. Our examination did not extend beyond receipts recorded. However we are not aware of any circumstances which would indicate that any income has not been brought into account. Our opinion is not modified in respect of this matter.

3. Material Uncertainty Related to Going Concern

We draw attention to note 8 to the financial statements which indicate that due to the global pandemic of COVID-19, the government of the Republic of Zimbabwe introduced a lockdown in the country on 27 March 2020. The lockdown has since been declared indefinite and it is not clear when this lockdown will be lifted. The effect of the lockdown has been the slowing down of business activities of the organisation and this may have an adverse effect on the ability of the organisation to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key audit matters to communicate in this report.

Other Information

The Trustees are responsible for the other information. The other information comprises the Trustees' responsibility statement. The other information does not include the financial statements and our auditor's opinion thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The organisation's Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the organisation's policies and guidelines, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organisation's 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 trustees either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing Speak Out For Animals' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgment and maintain professional scepticism throughout the audit. We also identify and assess the risks of material misstatement of the 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.

We 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 Speak Out For Animals' internal control. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We conclude on the appropriateness of management's 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 Speak Out For Animals' 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 Speak Out For Animals to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We obtain sufficient audit evidence regarding the financial information of Speak Out For Animals or business activities of Speak Out For Animals to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Speak Out For Animals' audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

The engagement partner on the audit resulting in this report of independent auditors is Pearce Janga

A handwritten signature in blue ink that reads "Pearce Janga". The signature is written in a cursive style with a large initial 'P'.

Rockstone Chartered Accountants
Engagement Partner: Pearce Janga
PAAB Practicing Certificate Number: 0609

Harare
Date: 15 July 2021

SPEAK OUT FOR ANIMALS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

| | <u>Notes</u> | <u>2020</u> <u>USD</u> | <u>2019</u> <u>USD</u> |
|---------------------------------------|--------------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property and equipment | 4 | <u>22 097</u> | <u>28 449</u> |
| Total non-current Assets | | <u>22 097</u> | <u>28 449</u> |
| Current Assets | | | |
| Cash and cash equivalents | 5 | <u>25</u> | <u>423</u> |
| Total current assets | | <u>25</u> | <u>423</u> |
| TOTAL ASSETS | | <u>22 122</u> | <u>28 872</u> |
| RESERVES AND LIABILITIES | | | |
| Reserves | | | |
| Accumulated surplus | | <u>22 122</u> | <u>(22 929)</u> |
| Total reserves | | <u>22 122</u> | <u>(22 929)</u> |
| Current liabilities | | | |
| Accounts payables | 6 | <u>-</u> | <u>51 801</u> |
| Total current liabilities | | <u>-</u> | <u>51 801</u> |
| TOTAL LIABILITIES | | <u>-</u> | <u>51 801</u> |
| TOTAL RESERVES AND LIABILITIES | | <u>22 122</u> | <u>28 872</u> |



Trustee



Director

Date: 15 July 2021

SPEAK OUT FOR ANIMALS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

| | <u>Notes</u> | <u>2020</u> USD | <u>2019</u> USD |
|-------------------------------|--------------|-----------------------|----------------------|
| Grant income | | | |
| Other income | 7 | 109 498 | 72 885 |
| Total income | | <u>9 940</u> | <u>10 440</u> |
| | | <u>119 438</u> | <u>83 325</u> |
| | | | |
| Expenditure | | | |
| Project costs | | 28 359 | 31 907 |
| Salaries and Wages | | 26 356 | 26 000 |
| Administration costs | | 12 315 | 11 110 |
| Depreciation | | <u>7 357</u> | <u>7 257</u> |
| Total expenditure | | <u>74 387</u> | <u>76 274</u> |
| | | | |
| Surplus for the period | | <u>45 051</u> | <u>7 051</u> |

SPEAK OUT FOR ANIMALS

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | <u>Accumulated</u> <u>Surplus</u> USD | <u>Total</u> USD |
|------------------------------------|---|---------------------|
| Balance at 31 December 2018 | (29 980) | (29 980) |
| Surplus for the year | 7 051 | 7 051 |
| Balance at 31 December 2019 | <u>(22 929)</u> | <u>(22 929)</u> |
| Surplus for the year | 45 051 | 45 051 |
| Balance at 31 December 2020 | <u>22 122</u> | <u>22 122</u> |

SPEAK OUT FOR ANIMALS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

| | <u>Notes</u> | <u>2020</u> USD | <u>2019</u> USD |
|---|--------------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Surplus for the year before taxation | | 45 051 | 7 051 |
| Adjustments for:- | | | |
| Depreciation | 4 | <u>7 357</u> | <u>7 257</u> |
| Cash generated from operations | | 52 408 | 14 308 |
| Adjustment for working capital changes | | | |
| Increase/(decrease) in accounts payables | 6 | <u>(51 801)</u> | <u>(9 979)</u> |
| Cashflow from operating activities | | 607 | 4 329 |
| Taxation paid | | <u>-</u> | <u>-</u> |
| Net Cash flow from operating activities | | 607 | 4 329 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of fixed assets | 4 | <u>(1 005)</u> | <u>(11 809)</u> |
| Net cash flow from investing activities | | (1 005) | (11 809) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net increase /(decrease) in cash and cash equivalents | | (398) | (7 480) |
| Cash and cash equivalents at the beginning of the year | 5 | <u>423</u> | <u>7 903</u> |
| Cash and cash equivalents at the end of the year | 5 | <u>25</u> | <u>423</u> |

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

1. GENERAL INFORMATION

1.1 Nature of operations

Speak Out For Animals is a non-governmental organisation dedicated to protect animals through the legal system. Its mission is to influence the human mindset and inspire behaviour change towards animal protection and preservation laws. It is committed to combating wildlife crime by using the legal system to develop requisite legal literature and, also conducts trainings that advocate for the appreciation and understanding of wildlife law in Zimbabwe and Africa at large.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the modified cash basis.

2.2 Basis of measurement

The financial statements are prepared in accordance with the going concern principle on the historical cost basis.

2.3 Functional and presentation currency

The financial statements are expressed in United States Dollars which is both the functional and presentation currency of the organisation. All financial information is presented in United States Dollars and has been rounded off to the nearest dollar.

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. ACCOUNTING POLICIES

The principal accounting policies of the organisation are set out below and unless otherwise stated, are in all material respects consistent with those applied in the previous year.

3.1 Grants and donations

Grants and donations are accounted for on a receipt basis and donations of fixed assets are included at valuation based on estimated current market values.

3.2 Expenditure

Expenditure is recognized when paid rather than incurred.

3.3 Exchange rates and translations

Translations in foreign currencies are translated into United States Dollars at rates of exchange approximating those ruling at the time of transaction. Exchange gains or losses arising on the settlement of the foreign currency transactions are dealt with in the income statement. Assets and liabilities in foreign currencies are translated at the approximate rates of exchange ruling at the balance sheet date. Exchange differences arising on translation are dealt with in the income statement.

3.4 Property and equipment

The cost of an item of property and equipment is recognized as an asset when:

- It is probable that future economic benefits associated with the item will flow to the organization, and
- The cost of the item can be measured reliably

Property and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is decognised.

Property and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property and equipment is revalued any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. ACCOUNTING POLICIES (continued)

3.4 Property and equipment (continued)

The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings when the asset is derecognized.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of property and equipment have been assessed as follows:

| | | |
|------------------------|----------|-----|
| Motor vehicles | 5 years | 20% |
| Furniture and fittings | 10 years | 10% |
| Office equipment | 10 years | 10% |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the de-recognition of an item of property and equipment is included in profit or loss when the item is derecognized. The gain or loss from the de-recognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. These are initially and subsequently recorded at fair value.

3.6 Taxation

The organization is exempt from income tax in terms of paragraph 2 (d) of the third schedule of the Income Tax Act (Chapter 23:06).

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

4. PROPERTY AND EQUIPMENT

| | Motor Vehicles USD | Furniture and Fittings USD | Office Equipment USD | Total USD |
|------------------------------------|-----------------------|----------------------------------|-------------------------|---------------|
| Cost/Revaluation | | | | |
| Balance at 31 December 2018 | 23 000 | 2 270 | 3 487 | 28 757 |
| Additions | 9 000 | 2 809 | - | 11 809 |
| Disposals | - | - | - | - |
| Balance at 31 December 2019 | 32 000 | 5 079 | 3 487 | 40 566 |
| Additions | - | 1 005 | - | 1 005 |
| Disposals | - | - | - | - |
| Balance at 31 December 2020 | 32 000 | 6 084 | 3 487 | 41 571 |
| Accumulated depreciation | | | | |
| Balance at 31 December 2018 | 4 167 | 47 | 646 | 4 860 |
| Depreciation for the year | 6 400 | 508 | 349 | 7 257 |
| Balance at 31 December 2019 | 10 567 | 555 | 995 | 12 117 |
| Depreciation for the year | 6 400 | 608 | 349 | 7 357 |
| Balance at 31 December 2020 | 16 967 | 1 163 | 1 344 | 19 474 |
| Carrying amount | | | | |
| At 31 December 2019 | 21 433 | 4 524 | 2 492 | 28 449 |
| At 31 December 2020 | 15 033 | 4 921 | 2 143 | 22 097 |

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

| | <u>2020</u> USD | <u>2019</u> USD |
|------------------------------------|--------------------|--------------------|
| 5 CASH AND CASH EQUIVALENTS | | |
| Bank and cash | | |
| Money market investments | 25 | 423 |
| | - | - |
| | <u>25</u> | <u>423</u> |
| 6 ACCOUNTS PAYABLES | | |
| Current payables | | |
| Other | - | 51 801 |
| | - | - |
| | <u>-</u> | <u>51 801</u> |
| 7 GRANT INCOME | | |
| SFG/Defra | 109 498 | 72 885 |
| | <u>109 498</u> | <u>72 885</u> |

SPEAK OUT FOR ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

8. GOING CONCERN

Owing to the global pandemic of COVID-19, the government of the Republic of Zimbabwe introduced a lockdown in the country on 27 March 2020. The lockdown has since been declared indefinite and it is not clear when this lockdown will be lifted. The effect of the lockdown has been the slowing down of business activities of the Organisation. The Trustees have assessed the ability of the entity to continue operating as a going concern and believe that preparation of these financial statements on a going concern is still appropriate given the measures that have put in place by the Government of Zimbabwe and the world at large to combat the pandemic. The Organisation has taken several steps to further strengthen its financial position and maintain liquidity and flexibility. The Organisation is undertaking the following initiatives to manage this material uncertainty: suspending unnecessary capital expenditure, reviewing operating expenses, concentrating on digital delivery channels, adjustment of certain aspects of operations to protect employees and stakeholders while still meeting stakeholders' needs.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

9. SUBSEQUENT EVENTS

There were no significant subsequent events after the reporting date that warranted disclosure.