

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

Financial Statements
For the year ended 31 December 2022
(Unaudited)

UNAUDITED
*(See accompanying Independent
Accountant's Compilation Report)*

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Financial Statements
For the year ended 31 December 2022**

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UNAUDITED

*(See accompanying Independent
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HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Company Directory
For the year ended 31 December 2022**

BOARD OF DIRECTORS

Colin Riegels
Nancy Pascoe
Nigel MacPhail
Els Kraakman
Kirstie Palmer
Amanda McKenna
Sophie Feuerstein

REGISTERED AGENT AND OFFICE

Harneys Corporate and Trust Services Limited
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola VG 1110
British Virgin Islands

BANKER

CIBC FirstCaribbean International Bank (Cayman) Limited
Wickhams Cay 1
P.O. Box 70
Road Town, Tortola VG 1110
British Virgin Islands

UNAUDITED*(See accompanying Independent Accountant's Compilation Report)***HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Directors' Report
For the year ended 31 December 2022**

As we reflect on the challenges and triumphs of the past year, the Humane Society of the British Virgin Islands (HSBVI) remains steadfast in its commitment to animal welfare, even in the face of ongoing obstacles presented by the COVID-19 pandemic.

Operational Challenges and Achievements: In 2022, our dedicated staff continued to encounter difficulties caused by a decline in adoptions compared to the enormous numbers of stray and unwanted animals that were still being taken in. As a result, the shelter became overcrowded, creating the need for challenging decisions.

Our collaboration with partners such as Canine Cats and Critters and PAW BVI has been integral to our ability to provide medical attention at reduced rates. PAW BVI's sponsorship of spaying and neutering, as well as their efforts to arrange foster care and adoptions in the USA, has been invaluable.

ANIMAL INTAKE													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	24	20	26	27	18	51	29	22	37	22	29	29	334
2020	11	35	12	12	25	35	36	39	38	36	39	23	341
2021	35	35	33	31	31	32	23	26	44	32	26	29	377
2022	24	32	29	18	26	24	43	35	40	22	16	29	338

ANIMALS ADOPTED BVI & INTERNATIONAL													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	19	22	23	25	21	32	25	25	34	18	20	16	280
2020	14	19	26	30	24	20	45	38	40	24	67	15	362
2021	27	22	22	30	11	16	21	16	28	15	20	8	236
2022	21	28	17	16	12	12	11	29	21	14	22	19	222

Fundraising Endeavours: 2022 was a great year for our fundraising. For the first time after COVID-19, we could organize our famous Gaming Night again in July, which raised \$44k and organize our Dog Show in May, which raised over \$15k. Other successful events such as the Bonfire Beach Party, Quiz Night at Bamboushay, and the Mulled Wine Party in Nanny Cay also contributed to our fundraising efforts, serving as a testament to the community's dedication to our cause.

Progress Towards New Building: The capstone of 2021 was the substantial progress made towards our new building, with a generous \$200k donation from our largest sponsor, the Aqualia Foundation. This brought the total donations for the new building to \$349,000, enabling us to initiate the long-awaited construction of the new animal shelter in Josiah's Bay. The Board's decision to transition from a steel building to a cost-effective traditional concrete and blocks structure, utilizing materials from the previously purchased steel building, has significantly reduced construction costs.

As we navigate the challenges and uncertainties of the coming year, we are actively seeking additional funds from potential donors to support our mission and finance phases 2 and 3 of the new animal shelter build.

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HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Directors' Report
For the year ended 31 December 2022**

In closing, we extend our gratitude to our dedicated team, volunteers, partners, donors, and the community for their unwavering support. Together, we will continue to make a meaningful impact on the lives of animals in need.



Chartered Accountants

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT TO THE BOARD OF DIRECTORS OF THE HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

We have compiled the accompanying financial statements of the Humane Society of the British Virgin Islands based on the information provided by management. These financial statements comprise the statement of net assets as at 31 December 2022 and the related statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are the responsibility of management.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management for us to compile these financial statements. Accordingly, we do not express an audit opinion, a review conclusion or any other form of assurance on whether these financial statements are prepared in accordance with IFRS for SMEs. Readers are cautioned that these statements may not be appropriate for their purposes.

Baker Tilly (BVI) Limited

**Chartered Accountants
19 October 2023
Tortola, British Virgin Islands**

UNAUDITED(See accompanying Independent
Accountant's Compilation Report)**HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Statement of Net Assets****As at 31 December 2022***Expressed in U.S. Dollars*

	Note	2022	2021
Current assets			
Cash and cash equivalents - unrestricted cash	3	139,208	131,865
Cash and cash equivalents - restricted cash	3	343,111	349,788
Inventory	4	3,618	6,000
Advances to staff		466	—
Trade and other receivables		725	200
		<u>487,128</u>	<u>487,853</u>
Non-current assets			
Property, plant and equipment	5	<u>234,339</u>	<u>245,554</u>
Total assets		<u>721,467</u>	<u>733,407</u>
Current liabilities			
Trade and other payables		<u>13,609</u>	<u>7,829</u>
Total liabilities		<u>13,609</u>	<u>7,829</u>
Net assets		<u>\$ 707,858</u>	<u>\$ 725,578</u>

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 4 to 15 were approved and authorised for issuance by the Board of Directors on 19 October 2023 and signed on their behalf on the same date by:

Nancy Pascoe

Director

Sophie Feuerstein

Director

UNAUDITED(See accompanying Independent
Accountant's Compilation Report)**HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Statement of Revenues and Expenses
For the year ended 31 December 2022***Expressed in U.S. Dollars*

	Note(s)	2022	2021
Revenue			
Restricted donations	3,6	1,613	203,228
Donations, legacies and similar income sources	6	51,924	137,126
Revenue from fundraising activities		75,129	30,016
Shelter generated revenue		21,981	17,329
Other income		800	3,034
Total revenue		<u>151,447</u>	<u>390,733</u>
Expenses			
Restricted expenses - Josiah's Bay new building		8,290	—
Payroll expenses	7	71,754	63,352
Cost of fundraising activities		5,851	4,313
Shelter supplies and expenses		63,191	64,028
Administration expenses		20,081	12,397
Impairment expense		—	395
Total expenses		<u>169,167</u>	<u>144,485</u>
(Deficit)/surplus for the year		<u>\$ (17,720)</u>	<u>\$ 246,248</u>

The accompanying notes form an integral part of these financial statements.

UNAUDITED(See accompanying Independent
Accountant's Compilation Report)**HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Statement of Changes in Net Assets
For the year ended 31 December 2022***Expressed in U.S. Dollars*

	2022		
	Unrestricted Net Assets	Restricted Net Assets	Total
Opening balances	375,790	349,788	725,578
Deficit for the year	(11,043)	(6,677)	(17,720)
Closing balances	\$ 364,747	\$ 343,111	\$ 707,858

	2021		
	Unrestricted Net Assets	Restricted Net Assets	Total
Opening balances	332,770	146,560	479,330
Surplus for the year	43,020	203,228	246,248
Closing balances	\$ 375,790	\$ 349,788	\$ 725,578

The accompanying notes form an integral part of these financial statements.

UNAUDITED(See accompanying Independent
Accountant's Compilation Report)**HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Statement of Cash Flows
For the year ended 31 December 2022***Expressed in U.S. Dollars*

	2022	2021
Operating activities		
(Deficit)/surplus for the year	(17,720)	246,248
<i>Adjustment for:</i>		
Depreciation	11,714	18,785
Impairment expense	—	395
(Deficit)/surplus before changes in working capital:	(6,006)	265,428
Changes in working capital		
Increase in trade and other receivables	(991)	(200)
Decrease in inventory	2,382	—
Increase/(decrease) in trade and other payables	5,780	(13,041)
<i>Cash flows from operating activities</i>	<u>1,165</u>	<u>252,187</u>
Investing activities		
Purchase of property, plant and equipment	(499)	—
<i>Cash flows used in investing activities</i>	<u>(499)</u>	<u>—</u>
Net increase in cash and cash equivalents	666	252,187
Cash and cash equivalents at beginning of year	<u>481,653</u>	<u>229,466</u>
Cash and cash equivalents at end of year	<u>\$ 482,319</u>	<u>\$ 481,653</u>

Cash and cash equivalents comprise cash at bank.

The accompanying notes form an integral part of these financial statements.

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

Notes to and forming part of the Financial Statements For the year ended 31 December 2022

Expressed in U.S. Dollars

1. GENERAL INFORMATION

The Humane Society of the British Virgin Islands (the "Company") was incorporated in the British Virgin Islands (the "BVI") under the BVI Business Companies Act, 2004 on 2 July 2009 and is limited by guarantee. The members of the Company have agreed to contribute amounts not exceeding \$1 to the assets of the Company in the event of it being wound up.

The objectives of the Company are as follows:

- the promotion of humane behaviour towards animals;
- the provision of appropriate care, protection, treatment and security for animals;
- the education of the public in matters pertaining to animal welfare;
- the prevention of cruelty and suffering amongst animals;
- the raising of funds to pursue and promote the foregoing objectives; and
- any matters which the Directors reasonably consider to be necessary for or ancillary to any of the foregoing objectives.

The Company is registered as a non-profit organisation under the Non-Profit Organisations Act, 2012 (the "Act"), of the British Virgin Islands.

These financial statements were approved by the Board of Directors on 19 October 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Company's financial statements are set out below. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board.

The financial statements are prepared on the basis of historical costs and do not take into account increases in the market value of assets.

The financial statements and records of the Company are presented and maintained in U.S. Dollars, rounded to the nearest dollar.

b) Use of estimates

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Notes to and forming part of the Financial Statements
For the year ended 31 December 2022**

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Use of estimates (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, current deposits with banks and other short-term, highly liquid financial instruments with original maturities of three months or less that are readily convertible to known amounts of cash or are subject to an insignificant risk of changes in value.

d) Inventory

Inventory consists of various veterinary medicines and pet supplies that are recorded at the lower of cost or net realisable value, on a first-in-first-out basis. Cost includes any expenditure incurred in bringing the inventory to its present condition and location. Net realisable value is the expected selling price less any associated selling costs.

e) Property, plant and equipment

Property, plant and equipment, other than land, are stated at historical cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to the statement of revenues and expenses on a straight line basis over the estimated useful lives of the fixed assets.

The annual rates of depreciation in use are as follows:

Land and property under construction	nil
Leasehold improvements	10 years
Fixtures and fittings	3 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

f) Payables

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

UNAUDITED

(See accompanying Independent Accountant's Compilation Report)

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Notes to and forming part of the Financial Statements
For the year ended 31 December 2022**

Expressed in U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Net assets

Unrestricted net assets

Unrestricted net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by actions of the Directors.

Restricted net assets

Restricted net assets include gifts and pledges which require that the corpus be made available for spending in accordance with donor restrictions.

h) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is estimated as the greater of an asset's net selling price and value in use. An impairment loss is recognised in the statement of revenues and expenses whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or allowance is reversed through the statement of revenues and expenses.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Revenue and expenditure

In relation to the rendering of services, the Company recognises revenues and fees as time is expended and costs are incurred, provided the amount of consideration to be received is reasonably determinable and there is reasonable expectation of ultimate collection.

Expenses are recognised in the statement of revenues and expenses on the accrual basis.

3. CASH AND CASH EQUIVALENTS

During the year, the Company received \$1,613 (2021: \$203,228) from various donors relating to the construction of the new animal shelter (the "New Shelter") which will be carried out in three phases: Phase 1 rough building \$400,000; Phase 2 Interior Finish \$196,000 and Phase 3 Exterior Finish \$134,000 with a total estimated cost of \$730,000. The donations have been recorded as restricted cash for the year ended 31 December 2022.

HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS

**Notes to and forming part of the Financial Statements
For the year ended 31 December 2022**

Expressed in U.S. Dollars

4. INVENTORY

Inventory as at year end is comprised of the following:

	2022	2021
Veterinary medicines	1,050	1,100
Animal supplies	<u>2,568</u>	<u>4,900</u>
	<u>\$3,618</u>	<u>\$6,000</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Property under construction	Leasehold improvements	Fixtures and fittings	Total
Cost					
At 1 January 2022	154,052	50,000	46,429	42,426	292,907
Additions	<u>—</u>	<u>—</u>	<u>—</u>	<u>499</u>	<u>499</u>
At 31 December 2022	<u>154,052</u>	<u>50,000</u>	<u>46,429</u>	<u>42,925</u>	<u>293,406</u>
Depreciation					
At 1 January 2022	—	—	11,998	35,355	47,353
Charge for the year	<u>—</u>	<u>—</u>	<u>4,643</u>	<u>7,071</u>	<u>11,714</u>
At 31 December 2022	<u>—</u>	<u>—</u>	<u>16,641</u>	<u>42,426</u>	<u>59,067</u>
Net book value					
At 31 December 2022	\$ <u>154,052</u>	\$ <u>50,000</u>	\$ <u>29,788</u>	\$ <u>499</u>	\$ <u>234,339</u>
At 31 December 2021	\$ <u>154,052</u>	\$ <u>50,000</u>	\$ <u>34,431</u>	\$ <u>7,071</u>	\$ <u>245,554</u>

In 2013, the Company purchased one acre of land at Josiah's Bay, Tortola, British Virgin Islands for \$150,000. This land was purchased using funds that the Company had saved over previous years. In 2016, the Company successfully procured and received a steel frame structure for the New Shelter for \$109,399 (including shipping and landing). The construction project, however, was delayed due to several problems, such as Hurricane Irma and Covid. The Board decided to use the steel structure for materials only since the structure was not complete anymore due to the hurricane and to reduce foundation costs. It was decided to build a more traditional block, concrete and galvalume building. With the assistance of the architect, Thor Downing of Roger Downing & Partner Co. Ltd., and the engineer Richard Taylor of Systems Engineering Ltd., new plans were drawn up and approved by The Planning Authority and The Building Authority of the BVI Government on 3 November 2022.

Subsequent to 2018, a revaluation of the steel frame structure was done and the value was impaired to \$75,000 in 2019 and to \$50,000 in 2020, with an impairment expense of \$25,000 for the year ended 31 December 2020. The carrying value of the structure is currently \$50,000.

UNAUDITED*(See accompanying Independent Accountant's Compilation Report)***HUMANE SOCIETY OF THE BRITISH VIRGIN ISLANDS****Notes to and forming part of the Financial Statements
For the year ended 31 December 2022***Expressed in U.S. Dollars***5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

In September 2017 Hurricanes Irma and Maria effectively destroyed the Shelter, leaving a severely damaged husk behind. During early 2018, temporary repairs were made costing approximately \$15,000. These temporary repairs were severely enhanced in September/October 2018 through the generous donation of GK Construction and the complete renovation of the Shelter in 2019 with new stainless steel cages and an extension with 8 large boarding cages for dogs.

6. LIST OF DONORS

In accordance with the Act, there are no donors who have donated in excess of \$10,000 as a single donation or cumulatively during the year.

7. PAYROLL EXPENSES

	2022	2021
Salaries and bonus	66,173	57,482
Payroll tax	2,340	628
Work permit fees	1,950	651
Social security	651	2,290
National health insurance	640	1,908
Other expenses	<u>—</u>	<u>393</u>
	<u>\$ 71,754</u>	<u>\$ 63,352</u>

The average number of employees during the year was 2 (2021: 2).

8. SUBSEQUENT EVENTS

In January 2023, the Company started the selection process for construction companies for the new build of the Animal Shelter in Josiah's Bay, and with the assistance of Thor Downing and Richard Starkey, the Company selected GK Construction as the winning bid. GK Construction started working on the first phase - rough building - on 15 August 2023, with plans to finish this phase by 31 January 2024.

In addition to our popular fundraising events, The Dog Show in April and Gaming Night in July 2023, our main goal for 2023 is to generate additional money and donors to complete the construction of the new shelter, including phase 2, internal finishings and phase 3 external finishings.

UNAUDITED(See accompanying Independent
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For the year ended 31 December 2022***Expressed in U.S. Dollars*

	2022	2021
Statement of revenues and expenses schedule		
Revenue from fundraising activities		
Gaming Night	44,135	—
Dog Show	15,815	15,270
Quiz night	8,675	7,179
Bonfire beach party	4,252	3,461
Mulled wine	2,252	4,106
	<u>75,129</u>	<u>30,016</u>
Total	\$ 75,129	\$ 30,016
Shelter generated revenue		
Boarding	12,009	7,429
Adoption	6,325	7,363
Medical supplies sold	1,551	1,219
Nanochip	715	260
Food	671	428
Other income	510	430
Bath and dip	125	125
Clipping	75	75
	<u>21,981</u>	<u>17,329</u>
Total	\$ 21,981	\$ 17,329
Cost of fundraising activities		
Gaming Night	4,208	—
Dog Show	1,643	4,313
	<u>5,851</u>	<u>4,313</u>
Total	\$ 5,851	\$ 4,313

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For the year ended 31 December 2022***Expressed in U.S. Dollars*

	2022	2021
Statement of revenues and expenses schedule (Cont'd)		
Shelter supplies and expenses		
Animal food	20,060	9,349
Depreciation	11,714	18,785
Veterinary treatment	9,101	18,794
Utilities	5,614	3,717
Shelter overheads	4,261	2,652
Merchandise purchased	3,932	800
Medical supplies	3,770	3,400
Animal travel costs	1,767	1,819
Other expenses	1,573	1,275
Repairs and maintenance	1,244	1,638
Advertisements	113	—
Shelter supplies	42	1,799
	<u>63,191</u>	<u>64,028</u>
Total	\$ 63,191	\$ 64,028
Administration expenses		
Compilation fee	5,000	—
Auto	4,479	1,124
Insurance	4,250	4,250
Rent expense	3,300	3,300
Bank charges	2,016	2,028
Other expenses	1,036	1,595
NPO renewal expense	—	100
	<u>20,081</u>	<u>12,397</u>
Total	\$ 20,081	\$ 12,397