

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

|                                     | Note     | 30 June 2008<br>\$      | 30 June 2007<br>\$    |
|-------------------------------------|----------|-------------------------|-----------------------|
| Revenues from ordinary activities   | 2        | 4,632,416               | 3,946,795             |
| Legacies                            | 3        | 1,561,502               | 644,931               |
| Expenses from ordinary activities   |          |                         |                       |
| Enforcing the PCA Act               |          | 1,482,790               | 1,292,575             |
| Animal Shelter - Lonsdale           |          | 1,696,637               | 1,436,126             |
| Public Relations                    |          | 164,000                 | 168,791               |
| Fundraising                         |          | 778,082                 | 691,889               |
| Computer Services                   |          | 123,347                 | 96,865                |
| Administration                      |          | 454,539                 | 431,814               |
| Marine Rescue Unit                  |          | 84,575                  | 73,321                |
| Animal Shelter staff - Port Lincoln |          | 92,955                  | 48,153                |
|                                     |          | <u>4,876,925</u>        | <u>4,239,534</u>      |
| <b>Result from operations</b>       | <b>3</b> | <b><u>1,316,993</u></b> | <b><u>352,192</u></b> |

The accompanying notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

|                                      | Note | 30 June 2008<br>\$ | 30 June 2007<br>\$ |
|--------------------------------------|------|--------------------|--------------------|
| <b>Current Assets</b>                |      |                    |                    |
| Cash assets                          | 4    | 5,208,060          | 4,085,493          |
| Trade & other receivables            | 5    | 107,852            | 115,525            |
| Inventories                          | 6    | 58,002             | 48,497             |
| Other current assets                 | 7    | 94,829             | 108,015            |
| <b>Total Current Assets</b>          |      | 5,468,743          | 4,357,530          |
| <b>Non-Current Assets</b>            |      |                    |                    |
| Property, plant & equipment          | 8    | 3,241,852          | 3,309,298          |
| Financial assets                     | 9    | 2,680,840          | 2,949,908          |
| <b>Total Non-Current Assets</b>      |      | 5,922,692          | 6,259,206          |
| <b>Total Assets</b>                  |      | 11,391,435         | 10,616,736         |
| <b>Current Liabilities</b>           |      |                    |                    |
| Trade & other payables               | 10   | 134,719            | 155,238            |
| Provisions                           | 11   | 236,965            | 281,560            |
| Tax liabilities                      | 12   | 46,923             | 36,602             |
| <b>Total Current Liabilities</b>     |      | 418,607            | 473,400            |
| <b>Non-Current Liabilities</b>       |      |                    |                    |
| Provisions                           | 11   | 46,283             | 28,930             |
| <b>Total Non-Current Liabilities</b> |      | 46,283             | 28,930             |
| <b>Total Liabilities</b>             |      | 464,890            | 502,330            |
| <b>Net Assets</b>                    |      | 10,926,545         | 10,114,406         |
| <b>Members Funds</b>                 |      |                    |                    |
| Accumulated surpluses                | 13   | 10,512,206         | 9,195,213          |
| Reserves                             | 14   | 414,339            | 919,193            |
| <b>Total Members Funds</b>           |      | 10,926,545         | 10,114,406         |

The accompanying notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2008**

|                                     | 30 June 2008      | 30 June 2007      |
|-------------------------------------|-------------------|-------------------|
|                                     | \$                | \$                |
| <b>Opening balance</b>              | 10,114,406        | 9,442,020         |
| Profit attributable to members      | 1,316,993         | 352,192           |
| Revaluation increment - investments | (504,854)         | 320,194           |
| <b>Closing balance</b>              | <u>10,926,545</u> | <u>10,114,406</u> |

The accompanying notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

|   | Note | 30 June 2008<br>\$ | 30 June 2007<br>\$ |
|---|------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |      |                    |                    |
| Receipts from members, donors and customers (incl. GST)   |      | 3,842,937          | 3,096,051          |
| Payments to employees and suppliers (incl. GST)   |      | (4,909,914)        | (4,173,890)        |
| Government Grants (incl. GST)   |      | 692,945            | 594,000            |
| Legacies  |      | 1,561,502          | 644,931            |
| Interest received   |      | 262,059            | 223,071            |
| Dividends & Imputation Credits received   |      | 121,830            | 162,899            |
| Net Goods & Services Tax refunded (paid)  |      | (29,155)           | 1,276              |
| <b>Net cash provided by operating activities</b>  | 17   | 1,542,204          | 548,338            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |      |                    |                    |
| Payments for Property, Plant & Equipment  |      | (226,038)          | (202,206)          |
| Proceeds from sale of Property, Plant & Equipment   |      | 34,594             |                    |
| Payments for acquisition of Investments   |      | (821,307)          | (1,252,533)        |
| Proceeds from sale of Investments   |      | 593,114            | 1,166,496          |
| <b>Net cash provided by (used in) investing activities</b>  |      | (419,637)          | (288,243)          |
| <b>Net increase in cash held</b>  |      | 1,122,567          | 260,095            |
| <b>Cash at beginning of year</b>  |      | 4,085,493          | 3,825,398          |
| <b>Cash at end of year</b>  |      | 5,208,060          | 4,085,493          |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows: |      |                    |                    |
| Cash on hand  |      | 3,000              | 2,500              |
| Cash at bank  |      | 2,286,477          | 1,361,287          |
| Short term deposits   |      | 2,918,583          | 2,721,706          |
|   |      | 5,208,060          | 4,085,493          |

The accompanying notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**1 STATEMENT OF ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (South Australia).

The following is a summary of the material accounting policies adopted by the Society in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Royal Society for the Prevention of Cruelty to Animals (SA) Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**1.1 Inventories**

Inventories are valued at the lower of cost and net realisable value.

**1.2 Property, Plant & Equipment**

Each class of property, plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses

**1.3 Plant & Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials and direct labour.

These notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only where it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**1.4 Depreciation**

The depreciable amount of all fixed assets including buildings, is depreciated on a straight-line basis over their useful lives to the Society commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

|                   |          |
|-------------------|----------|
| Motor Vehicles    | 20% p.a. |
| Buildings         | 5% p.a.  |
| Plant & Equipment | 15% p.a. |

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

**1.5 Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Available-for-sale financial assets**

Available-for-sale financial assets are recorded at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity (Financial Assets Reserve).

**Impairment**

At each reporting date, the Society assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, a prolonged decline in the value of the asset is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**1.6 Impairment of Assets**

At each reporting date, the Society reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the income statement.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

**1.7 Employee Benefits**

Provision is made for the Society's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short term highly liquid investments with original maturities of three months or less.

**1.9 Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**1.10 Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**1.11 Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes presentation for the current financial year.

**1.12 Donated Goods**

The Society receives, through the generosity of its donors, food and other goods for use by animals in its care. No amounts have been recognised in the financial statements for such donated goods because no objective basis is available to measure their value.

**1.13 Income Tax**

The Society is an Income Tax Exempt Charity for income tax purposes.

These notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|  | 30 June 2008     | 30 June 2007     |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>2 REVENUES</b>                                      |                  |                  |
| <b>Operating Activities - Inspectorate</b>             |                  |                  |
| Government payment - PCA Act                           | 580,000          | 500,000          |
| Inspectorate cost recoveries                           | 121,317          | 125,164          |
| <b>Operating Activities - Fundraising</b>              |                  |                  |
| Fundraising appeals                                    | 506,683          | 518,827          |
| Membership subscriptions & renewals                    | 90,855           | 84,277           |
| Friends of RSPCA donations                             | 157,927          | 131,629          |
| Bargain Box Shops                                      | 251,176          | 179,771          |
| Donations  | 348,106          | 171,187          |
| Happy Tails Day  | 34,891           | 20,019           |
| Lottery  | 71,098           | 80,186           |
| Million Paws Walk                                      | 148,811          | 134,259          |
| Sale of goods - Headquarters                           | 78,765           | 70,197           |
| Telemarketing  | 150,940          | 141,748          |
| Other fundraising income                               | 213,969          | 194,637          |
| Other income   | 67,858           | 41,657           |
| <b>Operating Activities - Animal Shelter</b>           |                  |                  |
| Kennels - Lonsdale                                     | 753,394          | 569,559          |
| Cattery - Lonsdale                                     | 266,940          | 231,149          |
| Sale of goods - Animal Shelter Lonsdale                | 152,990          | 113,189          |
| Dog & Cat Management Board payment                     | 49,950           | 40,000           |
| Other income - Animal Shelter Lonsdale                 | 185,552          | 122,747          |
| <b>Non-operating activities</b>                        |                  |                  |
| Interest   | 262,059          | 223,071          |
| Dividends & Imputation Credits                         | 121,831          | 168,342          |
| Gain (loss) on disposal of Property, Plant & Equipment | 9,711            |                  |
| Gain (loss) on disposal of Investments                 | 7,593            | 85,180           |
| <b>Total Revenue</b>                                   | <b>4,632,416</b> | <b>3,946,795</b> |

These notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|   | 30 June 2008     | 30 June 2007     |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>3 RESULT FROM OPERATIONS</b>   |                  |                  |
| Result from operations includes as expenses   |                  |                  |
| Cost of sales   |                  |                  |
| Depreciation of non-current assets  | 268,602          | 255,163          |
| Remuneration of auditor:  |                  |                  |
| - audit services, financial statements  | 13,935           | 14,093           |
| - audit services, lotteries   | 950              | 950              |
| - other services  | 16,870           | 18,426           |
| Total remuneration  | <u>31,755</u>    | <u>33,469</u>    |
| Significant revenues and expenses:  |                  |                  |
| The following revenue and expense items are relevant in explaining the financial performance:                                   |                  |                  |
| - legacies  | 1,561,502        | 644,931          |
| - salaries and wages  | 2,472,743        | 2,093,230        |
| <b>4 CASH ASSETS</b>  |                  |                  |
| Cash on hand  | 3,000            | 2,500            |
| Cash at bank  | 2,286,477        | 1,361,287        |
| Short term deposits   | 2,918,583        | 2,721,706        |
|   | <u>5,208,060</u> | <u>4,085,493</u> |
| The effective interest rate on short term deposits was 6.98% (2006: 6.30%); these deposits have an average maturity of 82 days. |                  |                  |
| <b>5 TRADE &amp; OTHER RECEIVABLES</b>  |                  |                  |
| Sundry debtors  | 44,245           | 44,770           |
| Imputation credits refundable   | 63,607           | 70,755           |
|   | <u>107,852</u>   | <u>115,525</u>   |
| <b>6 INVENTORIES</b>  |                  |                  |
| <b>Current</b>  |                  |                  |
| Stock on hand - at cost   | 58,002           | 48,497           |
|   | <u>58,002</u>    | <u>48,497</u>    |
| <b>7 OTHER CURRENT ASSETS</b>   |                  |                  |
| Input tax credits refundable  | 62,027           | 52,413           |
| Prepayments   | 8,135            | 28,973           |
| Accrued Income  | 24,667           | 26,629           |
|   | <u>94,829</u>    | <u>108,015</u>   |

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**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|  | 30 June 2008<br>\$      | 30 June 2007<br>\$      |
|--|-------------------------|-------------------------|
| <b>8 PROPERTY, PLANT &amp; EQUIPMENT</b> |                         |                         |
| Freehold land - at cost                  | 543,734                 | 543,734                 |
| Buildings - at cost                      | 3,012,839               | 2,974,076               |
| Less: accumulated depreciation           | <u>(743,675)</u>        | <u>(594,376)</u>        |
|  | 2,269,164               | 2,379,700               |
| Plant, Equipment & Furniture - at cost   | 508,875                 | 441,102                 |
| Less: accumulated depreciation           | <u>(308,243)</u>        | <u>(267,202)</u>        |
|  | 200,632                 | 173,900                 |
| Motor vehicles - at cost                 | 452,121                 | 411,140                 |
| Less: accumulated depreciation           | <u>(223,799)</u>        | <u>(199,176)</u>        |
|  | 228,322                 | 211,964                 |
|  | <u><u>3,241,852</u></u> | <u><u>3,309,298</u></u> |

**Movements in carrying amounts**

Freehold land

|                                    |                       |                       |
|------------------------------------|-----------------------|-----------------------|
| Balance at the beginning of year   | 543,734               | 543,734               |
| Disposals                          |                       |                       |
| Carrying amount at the end of year | <u><u>543,734</u></u> | <u><u>543,734</u></u> |

Buildings

|                                    |                         |                         |
|------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of year   | 2,379,700               | 2,439,301               |
| Additions                          | 38,763                  | 86,475                  |
| Depreciation expenses              | <u>(149,299)</u>        | <u>(146,076)</u>        |
| Carrying amount at the end of year | <u><u>2,269,164</u></u> | <u><u>2,379,700</u></u> |

Plant, Equipment & Furniture

|                                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|
| Balance at the beginning of year      | 173,900               | 124,976               |
| Additions                             | 71,681                | 83,725                |
| Disposals                             | (3,908)               |                       |
| Depreciation expenses                 | (44,309)              | (34,801)              |
| Depreciation adjustments on disposals | 3,268                 |                       |
| Carrying amount at the end of year    | <u><u>200,632</u></u> | <u><u>173,900</u></u> |

Motor vehicles - at cost

|                                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|
| Balance at the beginning of year      | 211,964               | 254,246               |
| Additions                             | 115,594               | 32,004                |
| Disposals                             | (74,614)              |                       |
| Depreciation expenses                 | (74,992)              | (74,286)              |
| Depreciation adjustments on disposals | 50,370                |                       |
| Carrying amount at the end of year    | <u><u>228,322</u></u> | <u><u>211,964</u></u> |

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|                                      | 30 June 2008<br>\$ | 30 June 2007<br>\$ |
|--------------------------------------|--------------------|--------------------|
| <b>9 OTHER FINANCIAL ASSETS</b>      |                    |                    |
| <b>Non-current</b>                   |                    |                    |
| Unlisted investments - at fair value | 778,030            | 813,284            |
| Listed investments - at fair value   | 1,902,810          | 2,136,624          |
|                                      | <u>2,680,840</u>   | <u>2,949,908</u>   |
| <b>10 TRADE &amp; OTHER PAYABLES</b> |                    |                    |
| Sundry creditors                     | 75,127             | 118,050            |
| Accruals                             | 47,772             | 25,931             |
| Income received in advance           | 11,820             | 11,257             |
|                                      | <u>134,719</u>     | <u>155,238</u>     |
| <b>11 PROVISIONS</b>                 |                    |                    |
| <b>Current</b>                       |                    |                    |
| Provision for employee entitlements  | 236,965            | 281,560            |
|                                      | <u>236,965</u>     | <u>281,560</u>     |
| <b>Non-current</b>                   |                    |                    |
| Provision for employee entitlements  | 46,283             | 28,930             |
|                                      | <u>46,283</u>      | <u>28,930</u>      |
| <b>12 TAX LIABILITIES</b>            |                    |                    |
| Goods and services tax payable       | 46,923             | 36,602             |
|                                      | <u>46,923</u>      | <u>36,602</u>      |
| <b>13 ACCUMULATED FUNDS</b>          |                    |                    |
| Balance at beginning of year         | 9,195,213          | 8,843,021          |
| Result from ordinary activities      | 1,316,993          | 352,192            |
| Balance at end of year               | <u>10,512,206</u>  | <u>9,195,213</u>   |

These notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|  | 30 June 2008 | 30 June 2007 |
|--|--------------|--------------|
|  | \$           | \$           |
| <b>14 RESERVES</b>   |              |              |
| The Financial Assets Reserve records revaluations of financial assets. |              |              |
| Balance at beginning of year   | 919,193      | 598,999      |
| Revaluation increment - unlisted investments                           | (35,254)     | 78,303       |
| Revaluation increment - listed investments                             | (469,600)    | 241,891      |
| Balance at end of year   | 414,339      | 919,193      |

**15 RELATED PARTIES**

The names of the members of the Council who held office during the reporting period are:

|                   |                            |
|-------------------|----------------------------|
| Mr D P Barrington |                            |
| Prof M Barton     | President (from Oct 2007)  |
| Mr M R Cawthorne  |                            |
| Ms H Dridan       | elected Sept 2007          |
| Mr L Gilchrist    |                            |
| Ms C Jones        |                            |
| Mr L A Lavers     |                            |
| Mr H A McGrath    | Vice President             |
| Mrs K R McGrath   |                            |
| Dr D McNair       |                            |
| Mr M Robinson     |                            |
| Ms S Sellick      |                            |
| Mr J F Strachan   | President (until Oct 2007) |
| Mr Q Young        | retired Sept 2007          |

No income was received, or is due and receivable, by any member of Council.

**16 SEGMENT REPORTING**

The Society operates entirely in South Australia and in the field of animal welfare. Its activities include the enforcement of the Prevention of Cruelty to Animals Act, animal welfare and animal rescue.

These notes form part of this financial report

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY  
TO ANIMALS (SA) INCORPORATED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

|   | 30 June 2008     | 30 June 2007   |
|---|------------------|----------------|
|   | \$               | \$             |
| <b>17 CASH FLOW INFORMATION</b>   |                  |                |
| Reconciliation of net cash provided by operating activities to result from operations |                  |                |
| <b>Result from operations</b>   | 1,316,993        | 352,192        |
| <u>Non-cash flows in profit</u>   |                  |                |
| Depreciation  | 268,602          | 255,163        |
| Net gain on disposal of assets  | (17,304)         | (85,180)       |
| Provisions  | (27,242)         | 16,809         |
| <u>Changes in assets &amp; liabilities</u>  |                  |                |
| Decrease (increase) in Receivables  | 1,425            | (23,739)       |
| Decrease (increase) in Prepayments  | 20,838           | (17,489)       |
| Decrease (increase) in Inventories  | (9,505)          | (2,435)        |
| Decrease (increase) in Tax Assets   | (9,614)          | 6,138          |
| Decrease (increase) in Other Current Assets   | 8,206            | 25,253         |
| Increase (decrease) in Sundry Creditors   | (42,921)         | 7,514          |
| Increase (decrease) in Accruals   | 21,842           | 6,858          |
| Increase (decrease) in Accrued Income   | 563              | 537            |
| Increase (decrease) in Tax Liabilities  | 10,321           | 6,717          |
| <b>Net cash provided by operating activities</b>                                      | <b>1,542,204</b> | <b>548,338</b> |

These notes form part of this financial report