

ZWARTKOPS CONSERVANCY

(Registration No. NPO 102-935 / PBO 930029083)

ANNUAL FINANCIAL STATEMENTS

28 February 2017

ZWARTKOPS CONSERVANCY

ANNUAL FINANCIAL STATEMENTS


28 FEBRUARY 2017

These annual financial statements include statements which have been audited and are presented as follows:

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Approval

The annual financial statements set out on pages 1 to 13 have been approved and are signed on their behalf by:



Chairman

Date: 2017/02/18



Treasurer

Date: 2017/07/18

ZWARTKOPS CONSERVANCY

GENERAL INFORMATION

Association's name	ZWARTKOPS CONSERVANCY
Registration numbers	NPO no:102-935 / PBO no:930029083
Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	Conservation Society
Chairman	Mr F H Collier
Secretary	Mr A N Rump
Treasurer	Mr A S Barrow
Registered office	17 Nautilus Drive Bluewater Bay 6210
Postal address	P O Box 75 Zwartkops 6212
Bankers	First National Bank
Auditors	A T Smith and Associates Incorporated

A T SMITH AND ASSOCIATES INC

Chartered Accountants (S.A)
Registered Auditors

Practice number: 902116

Reg.No: 2005/042801/21

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZWARTKOPS CONSERVANCY

Opinion

We have audited the financial statements of ZWARTKOPS CONSERVANCY set out on pages 5 to 13, which comprise the statement of financial position as at 28 February 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of ZWARTKOPS CONSERVANCY at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with the accounting policies applied by the Association as disclosed in note 1 the the annual financial statements.

Basis for Qualified Opinion

Gifts and donations and membership fees are a significant source of fundraising revenue for the Zwartkops Conservancy. The Committee has determined that it is impracticable to establish controls over the collection of gifts and donations and membership fees prior to the initial entry into its financial records. We are therefore unable to confirm whether all gifts and donations and membership fees were recorded.

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 association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient

Committee's responsibility for the financial statements

The association's committee are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies applied by the association as disclosed in note 1 to the annual financial statements, and for such internal control as the determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


Auditor's responsibility

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 judgement 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.
- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the association's committee.
- Conclude on the appropriateness of the association'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 the association'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 association to cease to continue as a going concern.
- 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 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.


A T Smith and Associates Incorporated
Andrew T Smith
Director
Registered Auditor
18 July 2017

ZWARTKOPS CONSERVANCY

STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2017

	Notes	2017 R	2016 R
Assets			
Non-current assets			
Property, plant and equipment	2	69 381	46 711
Current assets			
Trade and other receivables	3	5 925	1 090
Bank, cash and cash equivalents		284 855	257 470
Total assets		360 161	305 271
Equity and liabilities			
Equity			
Retained earnings		322 846	292 398
Current liabilities			
Trade and other payables		6 915	6 473
Short-term borrowings	4	24 000	-
Special bequest fund		6 400	6 400
Total equity and liabilities		360 161	305 271

ZWARTKOPS CONSERVANCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note	Retained earnings R	Total R
Balance at 28 February 2015		296 929	296 929
Net loss for the year		(4 531)	(4 531)
Balance at 29 February 2016		<u>292 398</u>	<u>292 398</u>
Net profit for the year		30 448	30 448
Balance at 28 February 2017		<u><u>322 846</u></u>	<u><u>322 846</u></u>

ZWARTKOPS CONSERVANCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017	2016
	R	R
Revenue	480 967	299 809
Gifts and Donations	439 085	263 454
Membership Fees	21 850	29 050
Sundry income	20 032	7 305
Other income	9 833	7 792
Interest Received	9 833	7 792
Total Income	490 800	307 601
Operating expenses	(460 352)	(312 132)
AGM Printing and Function Costs	2 264	2 780
Audit Fees	5 700	5 000
Accounting Fees	3 318	-
Bank Charges	881	1 303
Computer expenses - website and service	3 609	6 301
Computer expenses - hardware replacement	-	6 859
Depreciation - Boat Engine and Trailer	8 164	6 930
Education exhibitions and events	62 145	45 403
Enviromental management costs	172 472	155 844
Insurance - Boat	6 587	6 587
Insurance - Personal accident	5 000	5 000
Printing & Stationery	7 912	2 083
Repairs and maintenance and fuel for boat	6 826	11 725
River - Cleaning	110 014	49 931
Clean up - 6 radios for hmcos	-	5 412
Clean up - Ford Global month	64 895	-
Telephone Postage & Fax	565	974
Profit / (loss) before taxation	30 448	(4 531)
Taxation	6	-
Net profit / (loss) for the period	30 448	(4 531)

ZWARTKOPS CONSERVANCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 R	2016 R
Net cash retained in operating activities		34 219	4 982
Cash generated from operating activities	7.1	24 386	(2 810)
Interest received		9 833	7 792
Cash flows from investing activities		(30 834)	-
Purchase of property, plant and equipment		(30 834)	-
To increase operating capacity		(30 834)	
Net increase in cash and cash equivalents		27 385	4 982
Cash and cash equivalents at beginning of year		257 470	252 488
Cash and cash equivalents at end of year	7.2	284 855	257 470

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

1. Basis of preparation and accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the accounting policies of the association. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis of certain assets and financial instruments.

Summary of Significant Accounting Policies

Property, plant and equipment

Property, plant and equipment are tangible assets that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

Depreciation on other assets is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rate is used for the depreciation of property, plant and equipment: 10 years

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are reviewed if there is an indication that there has been a significant change since the last reporting date. If necessary, the consequent depreciable amounts, rates and methods are adjusted. Any changes are accounted for as changes in accounting estimates and included in profit or loss for the current and future periods by adjusting the relevant future depreciation charges.

Trade receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown separately in current liabilities.

Impairments

The carrying value of the assets is reviewed at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Loans and Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Other financial liabilities, including borrowings, are measured at fair value, net of transactions costs.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the association.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation/ impairments	Carrying value	Cost	Accumulated depreciation/ impairments	Carrying value
	R	R	R	R	R	R
Plant and equipment	100 135	(30 754)	69 381	69 301	(22 590)	46 711
	<u>100 135</u>	<u>(30 754)</u>	<u>69 381</u>	<u>69 301</u>	<u>(22 590)</u>	<u>46 711</u>

The carrying amounts for 2017 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Other	Depreciation/ impairments	Carrying value at end of year
	R	R	R	R	R	R
	Plant and equipment	46 711	30 834			(8 164)
	<u>46 711</u>	<u>30 834</u>	<u>-</u>	<u>-</u>	<u>(8 164)</u>	<u>69 381</u>

The Plant and Equipment consist of a Boat and Trailer

	2017 R	2016 R
3. Trade and other receivables		
Trade receivables	7 375	1 090
Provision for doubtful debts	(1 450)	-
	<u>5 925</u>	<u>1 090</u>
4. Short-term borrowings		
Loan from Swartkops Bait Conservation Fund	24 000	-
The loan is interest free and is repayable on three months notice		
	<u>24 000</u>	<u>-</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

5. INCOME

Gifts and Donations Income

Individual Donations	10 673	12 242
Donations - corporate members	360 557	234 535
Donations - education	66 463	16 677
Donation - marine week	1 392	-
	<u>439 085</u>	<u>263 454</u>

Membership Fees

Individuals and clubs	12 000	11 500
Corporate	9 850	17 550
	<u>21 850</u>	<u>29 050</u>

Sundry Income

Calender sales	11 056	6 035
Field guides & plants	610	1 270
Raffle	8 366	-
	<u>20 032</u>	<u>7 305</u>

6. Taxation

The association has been exempted from paying income tax in terms of section 30 of the income Tax Act.

7. Notes to the cash flow statement

7.1 Reconciliation of net profit before taxation to cashflows from operations

Net profit before taxation	30 448	(4 531)
Adjustments for :		
Depreciation	8 164	6 930
Interest received	(9 833)	(7 792)
Operating profit before working capital changes	<u>28 779</u>	<u>(5 393)</u>
Working capital changes		
Decrease in trade receivables	(4 835)	(50)
Increase in trade and other payables	442	2 633
Cash generated from operations	<u>24 386</u>	<u>(2 810)</u>

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017 R	2016 R
7.2 Cash and cash equivalents		
<p>Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following amounts:</p>		
Bank, cash and cash equivalents	284 855	257 470
	<u>284 855</u>	<u>257 470</u>
8. Events after the end of the reporting period		
<p>No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of approval of these financial statements.</p>		
9. Related party disclosures		
<p>The following material related party has been identified:</p>		
Related party	Relationship	
J Rump	Environmental manager	
		<u>155 136</u> <u>139 200</u>