

**ZWARTKOPS CONSERVANCY**

**ANNUAL FINANCIAL STATEMENTS**


**29 February 2016**


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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements set out on pages 3 to 10 were approved by the members on *25th July 2016* and are signed by:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Treasurer

## **Independent Auditor's Report**

*To the Members of the Zwartkops Conservancy*

I have audited the financial statements of the Zwartkops Conservancy set out on pages 3 to 10, which comprise the statement of financial position as at 29 February 2016, and 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, comprising a summary of significant accounting policies and other explanatory information.

### *Committee's Responsibility for the Financial Statements*

The association's committee is responsible for the preparation and fair presentation of these 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 committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### *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 internal controls over the collection of gifts and donations and membership fees prior to the initial entry into its financial records. I am therefore unable to confirm whether all gifts and donations and membership fees were recorded.

### *Qualified Opinion*

In my 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 the Zwartkops Conservancy as at 29 February 2016, 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 to the annual financial statements.



Nelmar Smuts  
Registered Auditor  
25 July 2016

**ZWARTKOPS CONSERVANCY**  
**STATEMENT OF FINANCIAL POSITION**  
**at 29 February 2016**

	Notes	2016 R	2015 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	46 711	53 641
<b>Current assets</b>			
Trade and other receivables	2	2 250	2 200
Short term deposit		243 556	247 764
Bank balances		13 914	4 725
		<b>259 720</b>	<b>254 689</b>
<b>TOTAL ASSETS</b>		<b>306 431</b>	<b>308 330</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings		292 398	296 929
<b>Current liabilities</b>			
Other payables		14 033	11 400
		<b>14 033</b>	<b>11 400</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>306 431</b>	<b>308 330</b>

**ZWARTKOPS CONSERVANCY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 29 February 2016**

	Notes	2016 R	2015 R
<b>Income</b>			
Gifts and donations income	3	263 454	372 183
Membership fees	4	29 050	26 800
Sundry income	5	7 305	4 620
		<b>299 809</b>	<b>403 603</b>
<b>Less operating expenses</b>			
Accounting fees		5 000	5 000
AGM Printing and function costs		2 780	3 656
Bank charges		1 304	2 450
Computer - website & service expenses		6 301	2 186
- hardware replacement		6 859	-
Depreciation		6 930	6 930
Donation		-	1 000
Education, exhibitions and events		45 403	39 140
Environmental management costs		155 844	148 950
Environmental research		-	-
Insurance – boat		6 587	6 587
Insurance – Personal Accident		5 000	5 000
Repairs, maintenance and fuel for boat		11 725	-
River - cleanup		49 931	55 265
- 6 radios for HMCOs		5 412	-
Stationery and printing		2 083	6 277
SPAR sign outside Redhouse		-	8 778
Telephone, postage and fax		974	339
Sponsorship Evening		-	3 649
<b>Profit from operations</b>		<b>(12 323)</b>	<b>108 396</b>
Finance income		7 792	7 732
<b>Profit before taxation</b>		<b>(4 531)</b>	<b>116 128</b>
Taxation	6	-	-
<b>Profit for the year</b>		<b>(4 531)</b>	<b>116 128</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(4 531)</b>	<b>116 128</b>

**ZWARTKOPS CONSERVANCY**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 29 February 2016**

	<b>Retained earnings</b>	<b>Total</b>
	<b>R</b>	<b>R</b>
Balance at 1 March 2014	180 801	180 801
Total comprehensive income for the year	116 128	116 128
Balance at 1 March 2015	296 929	296 929
Total comprehensive income for the year	<b>(4 531)</b>	<b>(4 531)</b>
Balance at 29 February 2016	<b>292 398</b>	<b>292 398</b>

**ZWARTKOPS CONSERVANCY**  
**STATEMENT OF CASH FLOWS**  
for the year ended 29 February 2016

	<b>2016</b>	<b>2015</b>
<b>Notes</b>	<b>R</b>	<b>R</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before taxation	(4 531)	116 128
Adjusted for:		
Interest received	(7 792)	(7 732)
Depreciation	6 930	6 930
Operating profit before working capital changes	(5 393)	115 326
Working capital changes		
Movement in other payables	2 633	(8 174)
Movement in trade and other receivables	(50)	(350)
<b>Cash generated from operations</b>	<b>(2 810)</b>	<b>106 802</b>
Interest received	7 792	7 732
<b>Net cash from operating activities</b>	<b>4 982</b>	<b>114 534</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment		
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>
<b>TOTAL CASH MOVEMENT FOR THE YEAR</b>		
	<b>4 982</b>	<b>114 534</b>
Cash and cash equivalents at beginning of the year	252 489	137 954
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>257 470</b>	<b>252 489</b>

**ZWARTKOPS CONSERVANCY**  
**ACCOUNTING POLICIES**  
**29 February 2016**

**1.1 BASIS OF PRESENTATION**

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 for of certain assets and financial instruments. The financial statements are presented in South African Rands (R).

**1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method. Property plant and equipment is depreciated over a useful life of 10 years.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**Impairment of assets**

At each reporting date, financial and non-financial assets not carried at fair value, are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its 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 receivables**

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.



**Loans and trade payables**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on the basis of the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Revenue recognition**

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

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**1.3 KEY SOURCES OF ESTIMATION UNCERTAINTY**

The estimates and underlying assumptions are reviewed on an on-going 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.

*Useful lives and residual values of property, plant and equipment*

The association reviews the estimated useful lives and residual values of property, plant and equipment at the beginning of each annual reporting period. During the financial year, the members determined that the useful lives and residual values of property, plant and equipment have remained unchanged.

**ZWARTKOPS CONSERVANCY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**29 February 2016**

	2016 R	2015 R
<b>1 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>COST</b>		
Opening balance	69 301	69 301
Additions	-	-
Closing balance	<u>69 301</u>	<u>69 301</u>
<b>ACCUMULATED DEPRECIATION</b>		
Opening balance	(15 660)	(8 730)
Depreciation	(6 930)	(6 930)
Closing balance	<u>(22 590)</u>	<u>(15 660)</u>
<b>CARRYING VALUE</b>	<u>46 711</u>	<u>53 641</u>
<p>The property, plant and equipment consist of a boat, with a net book value of R1 and a replacement engine purchased in October 2012.</p>		
<b>2 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	<u>2 250</u>	<u>2 200</u>
	<u>2 250</u>	<u>2 200</u>
<b>3 GIFTS AND DONATIONS INCOME</b>		
Individual Donations	12 242	11 162
Corporate Donations	234 535	350 931
Education	16 677	8 450
Marine Week	-	1 640
RAMSAR	-	-
	<u>263 454</u>	<u>372 183</u>
<b>4 MEMBERSHIP FEES</b>		
Individuals and clubs	11 500	11 050
Corporate	17 550	15 750
	<u>29 050</u>	<u>26 800</u>

**ZWARTKOPS CONSERVANCY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**29 February 2016**

	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>
<b>5 SUNDRY INCOME</b>		
Sale of calendars and field guides	<b>7 305</b>	<b>4 620</b>
<b>6 TAXATION</b>		
The association has been exempted from paying income taxation in terms of S30 of the Income Tax Act.		
<b>7 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents per the Statement of cash flows is made		
Short term deposit	<b>243 556</b>	<b>247 764</b>
Cash at bank	<b>13 914</b>	<b>4 725</b>
	<b>257 470</b>	<b>252 489</b>
<b>8 SUBSEQUENT EVENTS</b>		
No events have occurred which would materially affect the financial statements between the year end and the date of the approval of the financial statements.		
<b>9 RELATED PARTY TRANSACTIONS</b>		
Consultancy fees paid to environmental manager		
J Rump	<b>139 200</b>	<b>127 200</b>