

**ZWARTKOPS CONSERVANCY**

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

**ANNUAL FINANCIAL STATEMENTS**

**28 February 2019**

# ZWARTKOPS CONSERVANCY

## ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2019

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

	Pages
General information	2
Independent auditor's report	3 - 4
Statement of financial position	5
Statement of changes in equity	6
Statement of comprehensive income	7
Statement of cash flows	8
Notes to the annual financial statements	9 - 13

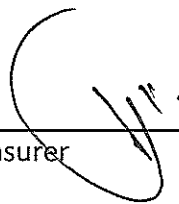
### Approval

The annual financial statements set out on pages 5 to 13 have been approved by committee members and are signed on their behalf by:



Chairman

Date: 15-07-2019



Treasurer

Date: 2-07-2019

# ZWARTKOPS CONSERVANCY

## GENERAL INFORMATION

<b>Association's name</b>	ZWARTKOPS CONSERVANCY
<b>Registration numbers</b>	NPO no:102-935 / PBO no:930029083
<b>Country of incorporation and domicile</b>	Republic of South Africa
<b>Nature of business and principal activities</b>	Conservation Society
<b>Chairman</b>	Mr F H Collier
<b>Secretary</b>	Mr A N Rump
<b>Treasurer</b>	Mr KB Flugel
<b>Registered office</b>	128 Amsterdamhoek Road Amsterdamhoek Port Elizabeth 6210
<b>Postal address</b>	P O Box 75 Zwartkops 6212
<b>Bankers</b>	First National Bank
<b>Auditors</b>	A T Smith and Associates Incorporated (Registered Auditors)

# A T SMITH AND ASSOCIATES INC

Chartered Accountants (S.A)  
Registered Auditors

Practice number: 902116

Reg.No: 2005/042801/21

P.O. Box 35074  
Newton Park  
Port Elizabeth  
6055

Block B, 279 Cape Road,  
Metropolitan Centre  
Newton Park  
Port Elizabeth, 6045

Telephone: +27(0)41 3634547  
email:atsmith@worldonline.co.za

---

## 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 14, which comprise the statement of financial position as at 28 February 2019, 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 2019, 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 of 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 they 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

19 June 2019

# ZWARTKOPS CONSERVANCY

## STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2019

	Notes	2019 R	2018 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	47 752	59 368
<b>Current assets</b>			
Inventories		1 162	1 750
Trade and other receivables	3	10 950	13 550
Bank, cash and cash equivalents	4	317 572	216 229
<b>Total assets</b>		<b>377 436</b>	<b>290 897</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Retained earnings		290 178	204 482
<b>Project Funds</b>			
Ford Global Caring		-	44 785
Zwartkops Bait Conservancy Fund		24 000	24 000
Special Bequest Funds		6 400	6 400
<b>Current liabilities</b>			
Trade and other payables	5	56 858	11 230
<b>Total equity and liabilities</b>		<b>377 436</b>	<b>290 897</b>

# ZWARTKOPS CONSERVANCY

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2019

	Retained earnings R	Total R
Balance at 28 February 2017	322 846	322 846
Net loss for the year	(118 364)	(118 364)
Balance at 28 February 2018	<u>204 482</u>	<u>204 482</u>
Net profit for the year	85 696	85 696
Balance at 28 February 2019	<u><u>290 178</u></u>	<u><u>290 178</u></u>

# ZWARTKOPS CONSERVANCY

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 R	2018 R
Revenue		984 532	330 741
Gifts and Donations	7	422 650	102 726
Membership Fees	7	25 630	21 250
Sundry income	7	3 915	1 897
Grants in Aid		150 000	150 000
Canoe Race		-	23 142
Calender sales		5 689	5 401
National Lotteries Commission		376 648	-
Raffle		-	26 325
Other income		8 541	10 842
Interest Received		8 541	10 842
<b>Total Income</b>		<b>993 073</b>	<b>341 583</b>
Operating expenses		(907 377)	(459 947)
Accounting Fees		13 200	6 535
AGM Printing and Function Costs		503	1 333
Audit Fees		6 440	5 980
Bad Debts		18 000	-
Bank Charges		3 053	2 797
BEE Certification costs		690	-
Computer expenses - website and service		13 497	10 360
Depreciation - Boat Engine and Trailer		11 616	10 013
Enviromental management costs		247 415	162 867
Insurance - Boat		5 131	6 587
Insurance - Personal accident		-	5 000
Insurance - Public Liability		3 480	-
Lotto Expenses		376 648	-
Masifundisane and Masasi education costs		116 404	133 679
Pond 6		-	23 462
Printing & Stationery		3 522	3 569
Motor expenses		32 824	-
Recycling costs		900	-
Repairs and maintenance and fuel for boat		9 257	4 626
River - Cleaning		44 797	82 689
Telephone Postage & Fax		-	450
<b>Profit / (loss) before taxation</b>		<b>85 696</b>	<b>(118 364)</b>
Taxation	8	-	-
<b>Net profit / (loss) for the period</b>		<b>85 696</b>	<b>(118 364)</b>



# ZWARTKOPS CONSERVANCY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 R	2018 R
Net cash retained in / withdrawn from operating activities		146 128	(113 411)
Cash generated from operating activities	9.1	155 587	(124 253)
Interest received		8 541	10 842
Interest paid		-	-
Bad debt		(18 000)	-
Sundry income		-	-
Cash flows from financing activities		(44 785)	44 785
Project funding		(44 785)	44 785
Net increase / decrease in cash and cash equivalents		101 343	(68 626)
Cash and cash equivalents at beginning of year		216 229	284 855
Cash and cash equivalents at end of year	9.2	317 572	216 229

# ZWARTKOPS CONSERVANCY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 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.

Where Property Plant and Equipment is acquired through specific donation, the acquisition is written off in the year it is acquired.

##### *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 2019

### *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.

### *Comparative figures*

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

# ZWARTKOPS CONSERVANCY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation/ impairments	Carrying value	Cost	Accumulated depreciation/ impairments	Carrying value
	R	R	R	R	R	R
Plant and equipment	100 135	(52 383)	47 752	100 135	(40 767)	59 368
Computer equipment	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>100 135</u>	<u>(52 383)</u>	<u>47 752</u>	<u>100 135</u>	<u>(40 767)</u>	<u>59 368</u>

The carrying amounts for 2019 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	59 368	-	-	-	(11 616)
Computer equipment	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>59 368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11 616)</u>	<u>47 752</u>

The Plant and Equipment consist of a Boat and Trailer

	2019	2018
	R	R
<b>3. Trade and other receivables</b>		
Trade receivables	18 200	12 650
Other	1 750	900
Sundry Recoveries	9 000	-
Riverside Service Station	-	-
Provision for doubtful debts	(18 000)	-
	<u>10 950</u>	<u>13 550</u>

### 4. Bank, cash and cash equivalents

Bank and cash balances at year end comprise:

Petty cash	13 284	226
Current account	8 911	6 924
Funds on call	295 377	209 079
	<u>317 572</u>	<u>216 229</u>

# ZWARTKOPS CONSERVANCY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

	2019 R	2018 R
<b>5. Trade and other payables</b>		
Trade creditors	11 534	11 230
National Lotteries Commission - balance of funds      note 6	45 324	-
	<u>56 858</u>	<u>11 230</u>
<b>6. National Lotteries Commission</b>		
Amount received	<u>376 648</u>	<u>-</u>
Amount spent:		
Motor vehicle	301 321	
Computer	13 442	
Furniture	11 605	
Data projector	4 956	
	<u>331 324</u>	<u>-</u>
Balance not yet spent	<u>45 324</u>	<u>-</u>
	<u>376 648</u>	<u>-</u>
<b>7. INCOME</b>		
<b>Gifts and Donations Income</b>		
Individual Donations	8 153	14 095
Donations - corporate members	232 598	82 980
Donations - education	42 140	1 775
Donation - marine week	350	3 876
Donation - boat and trailer fund	20 417	-
Donation - SPAR Family Paddle Event	33 140	-
Globalgiving Foundation Inc.	52 108	-
Ford Global Caring	33 744	-
	<u>422 650</u>	<u>102 726</u>
<b>Membership Fees</b>		
Individuals and clubs	12 280	10 550
Corporate	13 350	10 700
	<u>25 630</u>	<u>21 250</u>
<b>Sundry Income</b>		
Night at the Museum	3 835	1 687
Field guides & plants	60	210
Sundry Income	20	-
	<u>3 915</u>	<u>1 897</u>

# ZWARTKOPS CONSERVANCY

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### 8. Taxation

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

	2019	2018
	R	R
<b>9. Notes to the cash flow statement</b>		
<b>9.1 Reconciliation of net profit before taxation to cashflows from operations</b>		
Net profit before taxation	85 694	(118 364)
Adjustments for :		
Depreciation	11 616	10 013
Adjustment of doubtful debt provision	18 000	-
Interest received	(8 541)	(10 842)
Operating profit before working capital changes	106 769	(119 193)
Working capital changes		
Decrease in inventories	590	(1 750)
Decrease in trade receivables	2 600	(7 625)
Increase in trade and other payables	45 628	4 315
<b>Cash generated from operations</b>	<b>155 587</b>	<b>(124 253)</b>

### 9.2 Cash and cash equivalents

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:

Petty Cash	13 284	226
First National Bank - current account	8 911	6 924
FNB Money Market	295 377	209 079
	<u>317 572</u>	<u>216 229</u>

### 10. Related party disclosures

The following material related party has been identified:

Related party	Relationship		
J Rump -salary(retired 31 May 2018)	Environmental manager	40 710	154 143