

ZWARTKOPS CONSERVANCY

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

ANNUAL FINANCIAL STATEMENTS

28 February 2018

ZWARTKOPS CONSERVANCY

ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2018

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

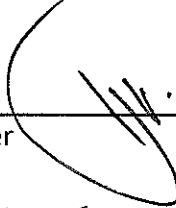
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Approval

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


Chairman

Date: 13.08.2018


Treasurer

Date: 13.08.2018

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 KB Flugel
Registered office	128 Amsterdamhoek Road Amsterdamhoek Port Elizabeth 6210
Postal address	P O Box 75 Zwartkops 6212
Bankers	First National Bank
Auditors	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
Facsimile: +27(0)41 3634548
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 13, which comprise the statement of financial position as at 28 February 2018, 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 2018, 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

02 August 2018

ZWARTKOPS CONSERVANCY

STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2018

	Notes	2018 R	2017 R
Assets			
Non-current assets			
Property, plant and equipment	2	59 368	69 381
Current assets			
Inventories		1 750	-
Trade and other receivables	3	13 550	5 925
Bank, cash and cash equivalents	4	216 229	284 855
Total assets		<u>290 897</u>	<u>360 161</u>
Equity and liabilities			
Equity			
Retained earnings		204 482	322 846
Project Funds			
Ford Global Caring		44 785	-
Zwartkops Bait Conservancy Fund		24 000	24 000
Special Bequest Funds		6 400	6 400
Current liabilities			
Trade and other payables		11 230	6 915
Total equity and liabilities		<u>290 897</u>	<u>360 161</u>

ZWARTKOPS CONSERVANCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2018

	Note	Retained earnings R	Total R
Balance at 28 February 2016		292 397	292 397
Net profit for the year		30 449	30 449
Balance at 29 February 2017		<u>322 846</u>	<u>322 846</u>
Net loss for the year		(118 364)	(118 364)
Balance at 28 February 2018		<u><u>204 482</u></u>	<u><u>204 482</u></u>

ZWARTKOPS CONSERVANCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2018

	Note	2018 R	2017 R
Revenue		330 741	480 967
Gifts and Donations	5	102 726	439 085
Membership Fees	5	21 250	21 850
Sundry income	5	1 897	460
Grants in Aid		150 000	-
Canoe Race		23 142	-
Calender sales		5 401	11 206
Raffle		26 325	8 366
Other income		10 842	9 833
Interest Received		10 842	9 833
Total Income		341 583	490 800
Operating expenses		(459 947)	(460 351)
Accounting Fees		6 535	3 318
AGM Printing and Function Costs		1 333	2 264
Audit Fees		5 980	5 700
Bank Charges		2 797	880
Clearing - Ford global		-	64 895
Computer expenses - website and service		10 360	3 609
Depreciation - Boat Engine and Trailer		10 013	8 164
Enviromental management costs		162 867	172 472
Insurance - Boat		6 587	6 587
Insurance - Personal accident		5 000	5 000
Masifundisane and Masasi education costs		133 679	62 145
Pond 6		23 462	-
Printing & Stationery		3 569	7 912
Repairs and maintenance and fuel for boat		4 626	6 826
River - Cleaning		82 689	110 014
Telephone Postage & Fax		450	565
(Loss) / profit before taxation		(118 364)	30 449
Taxation	6	-	-
Net (loss) / profit for the period		(118 364)	30 449

ZWARTKOPS CONSERVANCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	2018 R	2017 R
Net cash withdrawn from / retained in operating activities		(113 411)	34 220
Cash generated from operating activities	7.1	(124 253)	24 387
Interest received		10 842	9 833
Cash flows from investing activities		-	(30 844)
Purchase of property, plant and equipment		-	(30 844)
To increase operating capacity		-	(30 844)
Cash flows from financing activities		44 785	24 000
Project funding		44 785	24 000
Net decrease / increase in cash and cash equivalents		(68 626)	27 376
Cash and cash equivalents at beginning of year		284 855	257 479
Cash and cash equivalents at end of year	7.2	216 229	284 855

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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 2018

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 2018

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation/ impairments	Carrying value	Cost	Accumulated depreciation/ impairments	Carrying value
	R	R	R	R	R	R
Plant and equipment	100 135	(40 767)	59 368	100 135	(30 754)	69 381
	<u>100 135</u>	<u>(40 767)</u>	<u>59 368</u>	<u>100 135</u>	<u>(30 754)</u>	<u>69 381</u>

The carrying amounts for 2018 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	69 381	-	-	-	(10 013)
	<u>69 381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10 013)</u>	<u>59 368</u>

The Plant and Equipment consist of a Boat and Trailer

3. Trade and other receivables

	2018 R	2017 R
Trade receivables	12 650	3 220
Other	900	-
Provision for doubtful debts	-	(1 450)
	<u>13 550</u>	<u>1 770</u>

4. Bank, cash and cash equivalents

Bank and cash balances at year end comprise:

	2018 R	2017 R
Petty cash	226	112
Current account	6 924	71 292
Funds on call	209 079	213 451
	<u>216 229</u>	<u>284 855</u>

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

	2018	2017
	R	R
5. INCOME		
Gifts and Donations Income		
Individual Donations	14 095	10 673
Donations - corporate members	82 980	360 557
Donations - education	1 775	66 463
Donation - marine week	3 876	1 392
	<u>102 726</u>	<u>439 085</u>
Membership Fees		
Individuals and clubs	10 550	12 000
Corporate	10 700	9 850
	<u>21 250</u>	<u>21 850</u>
Sundry Income		
Night at the Museum	1 687	-
Field guides & plants	210	460
	<u>1 897</u>	<u>460</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	(118 364)	30 449
Adjustments for :		
Depreciation	10 013	8 164
Interest received	(10 842)	(9 833)
Operating profit before working capital changes	<u>(119 193)</u>	<u>28 780</u>
Working capital changes		
Decrease in inventories	(1 750)	
Decrease in trade receivables	(7 625)	(4 835)
Decrease in prepayments and other receivables	-	
Increase in trade and other payables	4 315	442
Cash generated from operations	<u>(124 253)</u>	<u>24 387</u>

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

2018	2017
R	R

7.2 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:

<u>216 229</u>	<u>284 855</u>
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8. Events after the end of the reporting period

Subsequent to the financial year end funds totalling R376 648 were received from the National Lotteries Commission to fund essential capital requirements

9. Related party disclosures

The following material related party has been identified:

Related party	Relationship		
J Rump	Environmental manager	<u>154 143</u>	<u>153 600</u>