

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

AUDITED ANNUAL FINANCIAL STATEMENTS
29 February 2024

ZWARTKOPS CONSERVANCY

AUDITED ANNUAL FINANCIAL STATEMENTS

29 FEBRUARY 2024

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

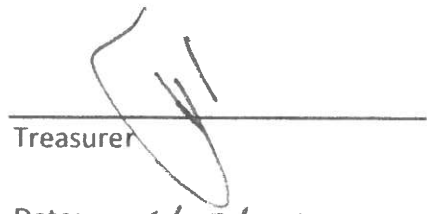
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Approval

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: Aug 6 2024


Treasurer

Date: 6/08/2024

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 G D Clayton
Secretary	Mr A N Rump
Treasurer	Mr K B 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

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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 29 February 2024, 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 29 February 2024, 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 therefor 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 and appropriate to provide a basis for our opinion.

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

Wednesday, 31 July 2024

ZWARTKOPS CONSERVANCY**STATEMENT OF FINANCIAL POSITION
AT 29 FEBRUARY 2024**

	Notes	2024 R	2023 R
Assets			
Non-current assets			
Property, plant and equipment	2	680 551	11 104
Current assets			
		1 137 666	1 320 437
Inventories		1 179	2 790
Trade and other receivables	3	109 910	29 332
Bank, cash and cash equivalents	4	1 026 577	1 288 315
Total assets		1 818 217	1 331 541
Equity and liabilities			
Equity			
Retained earnings		1 294 335	272 124
Project Funds			
		498 026	1 035 715
Municipal Grant	6	11 729	452 020
Ezethu Development Trust Project	6	448 666	501 295
Litter Trap Project	6	31 231	76 000
Special Bequest Funds		6 400	6 400
Current liabilities			
Trade and other payables	5	25 856	23 702
Total equity and liabilities		1 818 217	1 331 541

ZWARTKOPS CONSERVANCY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Retained earnings R	Total R
Balance at 29 February 2022	273 294	273 294
Net loss for the year	(1 170)	(1 170)
Balance at 28 February 2023	<u>272 124</u>	<u>272 124</u>
Net profit for the year	1 022 211	1 022 211
Balance at 29 February 2024	<u>1 294 335</u>	<u>1 294 335</u>

ZWARTKOPS CONSERVANCY

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2024

	Note	2024 R	2023 R
<u>Revenue</u>		1,986,007	810,091
Gifts and Donations	7	995,929	418,370
Membership fees	7	9,580	8,460
Sundry income-administration fee		1,150	170
Ezethu Trust - sponsorship		473,000	-
Grants in aid -Municipal grant		440,291	312,266
Clean Up - Other Donations		62,728	62,251
Buy Back Income		930	-
Calendar sales		2,399	8,574
<u>Other income</u>			
Interest Received		68,798	28,890
Total Income		2,054,805	838,981
<u>Operating expenses</u>		1,032,594	840,151
Accounting fees		29,000	26,200
AGM Printing and Function costs		5,216	2,581
Audit fees		8,970	8,528
Advertising and promotions		1,953	-
Bad debts written off		3,660	-
Bank charges		4,500	4,968
Computer expenses - hardware replacement		798	-
Computer expenses - website and service		7,880	5,412
Depreciation -Curlew engine and trailer		3,083	6,608
Depreciation - computers		2,821	-
Depreciation -motor vehicle		23,074	-
Depreciation -Boat Wimbrell		36,571	-
Environmental management costs		175,720	188,596
Environmental manager		132,747	78,266
Enviro Club		11,935	9,975
Health and Welfare costs		896	1,576
Insurances		32,309	23,831
Masifundisane education costs		231,738	170,302
Printing and Stationery		9,299	5,075
Motor expenses		100,490	52,093
Recycling costs		-	1,780
Repairs, maintenance and fuel for boats		42,655	74,580
River -Cleaning		160,935	170,803
Sundry expenses		5,344	7,754
Telephone expenses		1,000	1,223
Profit (loss) before taxation		1,022,211	(1 170)
Taxation	8	-	-
Net profit (loss) for the year		1,022,211	(1 170)

ZWARTKOPS CONSERVANCY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	Notes	2024 R	2023 R
Net cash retained in operating activities		753 498	29 392
Cash received from customers		1 288 575	497 825
Cash received from customers		(603 875)	(497 323)
	9.1	684 700	502
Interest received		68 798	28 890
Cash flows from investing activities		(477 546)	-
Purchase of property, plant and equipment		(477 546)	-
To increase operating activity		(734 997)	-
To maintain operating capacity		257 451	-
Cash flows from financing activities		(537 689)	690 352
Project funding		(97 398)	238 332
Grant funding		(440 291)	452 020
Net (decrease) increase in cash and cash equivalents		(261 737)	719 744
Cash and cash equivalents at beginning of year		1 288 315	568 571
Cash and cash equivalents at end of year	9.2	1 026 578	1 288 315

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

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: applicable yearly rates

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 29 FEBRUARY 2024

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 29 FEBRUARY 2024

2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation/ impairments	Carrying value	Cost	Accumulated depreciation/ impairments	Carrying value
	R	R	R	R	R	R
Plant and equipment	100 135	(92 115)	8 020	100 135	(89 031)	11 104
Computer equipment	16 075	(2 821)	13 254	-	-	-
Office equipment	-	-	-	-	-	-
Motor vehicles	461 471	(23 074)	438 397	-	-	-
Other	257 451	(36 571)	220 880	-	-	-
Furniture and fittings	-	-	-	-	-	-
	<u>835 132</u>	<u>(154 581)</u>	<u>680 551</u>	<u>100 135</u>	<u>(89 031)</u>	<u>11 104</u>

The carrying amounts for 2024 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	11 104	-	-	-	(3 084)
Computer equipment	-	16 075	-	-	(2 821)	13 254
Office equipment	-	-	-	-	-	-
Motor vehicles	-	461 471	-	-	(23 074)	438 397
Other	-	257 451	-	-	(36 571)	220 880
Furniture and fittings	-	-	-	-	-	-
	<u>11 104</u>	<u>734 997</u>	<u>-</u>	<u>-</u>	<u>(65 550)</u>	<u>680 551</u>

The Plant and Equipment consist of a Boat and Trailer

	2024	2023
	R	R
3. Trade and other receivables		
Trade receivables	104 910	26 332
Prepayments / Deferred Expenses	5 000	3 000
Sundry Recoveries	-	-
	<u>109 910</u>	<u>29 332</u>

4. Bank, cash and cash equivalents

Bank and cash balances at year end comprise:

Petty cash	3 000	461
Current account	245 725	8 800
Funds on call	777 852	1 279 054
	<u>1 026 577</u>	<u>1 288 315</u>

5. Trade and other payables

Trade creditors	25 856	23 702
	<u>25 856</u>	<u>23 702</u>

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

	2024	2023
	R	R
6. Special Funding Grants		
NMB Municipality		
Amount of Grant received	764 286	762 286
<i>Less Expenditure to date</i>		
Litter collection and clean ups	(459 135)	(203 960)
Education	(232 491)	(86 456)
Workshops	(17 793)	(5 285)
Enviro Club	(43 138)	(16 565)
Unexpended grant at year end	<u>11 729</u>	<u>452 020</u>
Ezethu Development Trust project		
Balance brought forward	501 295	
Amount of grant received	-	500 000
<i>Less Expenditure to date</i>		
Contractors and other related costs	(52 629)	(337 668)
Unexpended grant at year end	<u>448 666</u>	<u>501 295</u>
Litter Trap Project		
Balance brought forward	76 000	-
Amount of funds received	-	76 000
Less Expenditure	(44 769)	0
Balance carried forward	<u>31 231</u>	<u>76 000</u>
	2024	2023
	R	R
7. INCOME		
Gifts and Donations Income		
Donations from individuals	5 634	9 620
Donations from corporate members	685 000	408 750
Donations for education	25 000	-
Donations for marine week	1 224	-
Donations for boat and trailer fund	257 450	-
2024 Wall Calendars	8 121	-
	<u>995 929</u>	<u>418 370</u>
Membership Fees		
Individuals and clubs	8 580	7 460
Corporate	1 000	1 000
	<u>9 580</u>	<u>8 460</u>

ZWARTKOPS CONSERVANCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

	2024	2023
	R	R
8. Taxation		
The association has been exempted from paying income tax in terms of section 30 of the income Tax Act.		
9. Notes to the cash flow statement		
9.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	1 022 211	(1 170)
Adjustments for :		
Depreciation	65 550	6 608
Donation in kind Boat and trailer	(257 450)	-
Interest received	(68 798)	(28 890)
Operating profit before working capital changes	<u>761 513</u>	<u>(23 452)</u>
Working capital changes		
Decrease in inventories	1 611	(2 143)
Decrease in trade receivables	(80 578)	21 033
Increase in trade and other payables	2 154	5 064
Cash generated from operations	<u><u>684 700</u></u>	<u><u>502</u></u>

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	3 000	461
First National Bank - current account	245 725	8 800
FNB Money Market	777 852	1 279 054
	<u><u>1 026 577</u></u>	<u><u>1 288 315</u></u>

10. Committee members remuneration

<i>Member</i>		
J Rump	63 187	74 225
D Clayton	131 250	160 650
L F De Wet	33 000	-
	<u><u>227 437</u></u>	<u><u>234 875</u></u>