CARE FOR WILD RHINO SANCTUARY NPC

(Registration Number 2013/233143/08)
Annual Financial Statements
for the year ended 28 February 2021

CARE for WILD

Audited Financial Statements

in compliance with the Companies Act 71 of 2008 of South Africa
Prepared by: JBK Accountants Incorporated
Professional designation: CA (SA)

• RHINO SANCTUARY NPC •

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(Registration Number 2013/233143/08)
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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
REGISTRATION NUMBER	2013/233143/08
REGISTRATION DATE	17 December 2013
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The non-profit company operates in the wildlife conservation industry.
DIRECTORS	Christopher Charles De Bruno Austin Petronella Erndina Nieuwoudt Mark Glen Sifiso Ngwenyama Nicolaas Josephus Oosthuizen
REGISTERED OFFICE	FFA Building no.1 Club Street Nelspruit Airfield Mpumalanga 1200
BUSINESS ADDRESS	Farm Riverside JU243 Barberton 1300
POSTAL ADDRESS	PO Box 19632 Nelspruit Mpumalanga 1200
BANKERS	Standard Bank of South Africa
TAX NUMBER	9895/623/15/6
VALUE ADDED TAX NUMBER	4310286184
PAYE REGISTRATION NUMBER	7690791183
UIF REGISTRATION NUMBER	2342343/9
AUDITORS	JBK Accountants Incorporated 49 Ferreira Street Nelspruit 1200

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CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member of Care for Wild Rhino Sanctuary NPC

Opinion

We have audited the financial statements of Care for Wild Rhino Sanctuary NPC set out on pages 8 to 24, which comprise the statement of financial position as at 28 February 2021, and the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Care for Wild Rhino Sanctuary NPC as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa.

Basis for Opinion

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 non-profit company 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008 of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the non-profit company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the non-profit company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 non-profit company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 non-profit company'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 non-profit company 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 directors 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.

JBK Accountants Incorporated
Per: Johan Blom
Chartered Accountant (SA)
Registered Auditor

31 August 2021
49 Ferreira Street
Nelspruit
1200

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the non-profit company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the non-profit company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit company.
The annual financial statements have been audited by the independent auditing firm, JBK Accountants Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 3 to 4.

The annual financial statements set out on pages 8 to 24, and the supplementary information set out on pages 25 to 27 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 31 August 2021 on their behalf by:

Christopher Charles De Bruno Austin	Petronella Erndina Nieuwoudt
Mark Glen Sifiso Ngwenyama	Nicolaas Josephus Oosthuizen

DIRECTORS' REPORT

The directors present their report for the year ended 28 February 2021.

1. Review of financial results and activities

Main business and operations

The non-profit company operates in the wildlife conservation industry. There were no major changes herein during the year.

The non-profit company generated a surplus after tax for the year ended 28 February 2021 of R5,970,226 (2020: R1,099,915).

The non-profit company's revenue increased from R20,210,124 in the prior year to R26,513,587 for the year ended 28 February 2021.

Non-Profit Company cash flows from operating activities changed from an inflow of R794,930 in the prior year to an inflow of R6,592,829 for the year ended 28 February 2021.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the non-profit company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Not withstanding these short-term challenges the directors are of the view that the non-profit company has sufficient resources to continue as a going concern.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit company.

Impact of COVID-19

Since 31 December 2019, the spread of the COVID-19 virus has severely impacted most economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinte periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic lockdown. Global stock markets have also experienced great volatility and a significant weakening. Government and the South African Reserve Bank have responded with monetary and fiscal interventions to stabilise economic conditions.

The directors have determined that these events are non-adjusting events. Accordingly, the financial position and results of operations for the year ended 29 February 2020 have not been adjusted to reflect the impact. The duration and impact of the COVID-19 pandemic, as well the effectiveness of Government and The South African Reserve Bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial performance and financial position of the non-profit company for future periods. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

DIRECTORS' REPORT

4. Borrowing limitations

In terms of the Memorandum of Incorporation of the non-profit company, the directors may exercise all the powers of the non-profit company to borrow money, as they consider appropriate.

5. Donation

No donation was declared or paid to the member during the year.

6. Directors

The directors of the non-profit company during the year and up to the date of this report are as follows:
Christopher Charles De Bruno Austin
Petronella Erndina Nieuwoudt
Mark Glen Sifiso Ngwenyama
Nicolaas Josephus Oosthuizen

7. Independent Auditors

JBK Accountants Incorporated were the independent auditors for the year under review.

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,768,857	7,420,336
Biological assets	5	91,500	91,500
Total non-current assets		**12,860,357**	**7,511,836**
Current assets			
Inventories	6	36,248	-
Trade and other receivables	7	1,272,034	1,251,440
Cash and cash equivalents	8	2,783,239	1,788,006
Total current assets		**4,091,521**	**3,039,446**
Total assets		**16,951,878**	**10,551,282**
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		14,954,493	8,984,267
Liabilities			
Non-current liabilities			
Operating lease liabilities	9	-	210,467
Instalment sales agreements	10	932,362	284,920
Loan from director, manager or employee	11	1,064,811	1,071,628
Total non-current liabilities		**1,997,173**	**1,567,015**
Current liabilities			
Bank overdraft	8	212	-
Total liabilities		**1,997,385**	**1,567,015**
Total equity and liabilities		**16,951,878**	**10,551,282**

STATEMENT OF INCOME AND RETAINED EARNINGS

Figures in R	Notes	2021	2020
Revenue	12	26,513,587	20,210,124
Cost of sales	13	(18,239)	(164,205)
Gross surplus		**26,495,348**	**20,045,919**
Other income	14	12,654	-
Administrative expenses	15	(567,506)	(550,162)
Other expenses	16	(20,050,443)	(18,573,188)
Surplus from operating activities		**5,890,053**	**922,569**
Finance income	17	186,788	233,293
Finance costs	18	(106,615)	(55,947)
Surplus for the year		**5,970,226**	**1,099,915**
Accumulated surplus at the beginning of the year		8,984,267	7,884,352
Surplus for the year		5,970,226	1,099,915
Accumulated surplus at the end of the year		**14,954,493**	**8,984,267**

STATEMENT OF CHANGES IN EQUITY

Figures in R	Accumulated surplus	Total
Balance at 1 March 2019	7,884,352	7,884,352
Changes in equity		
Surplus for the year	1,099,915	1,099,915
Total comprehensive income for the year	1,099,915	1,099,915
Balance at 29 February 2020	**8,984,267**	**8,984,267**
Balance at 1 March 2020	8,984,267	8,984,267
Changes in equity		
Surplus for the year	5,970,226	5,970,226
Total comprehensive income for the year	5,970,226	5,970,226
Balance at 28 February 2021	**14,954,493**	**14,954,493**

STATEMENT OF CASH FLOWS

Figures in R	Note	2021	2020
Cash flows from operations			
Surplus for the year		**5,970,226**	**1,099,915**
Adjustments to reconcile surplus			
Adjustments for finance income		(186,788)	(233,293)
Adjustments for finance costs		106,615	55,947
Adjustments for increase in inventories		(36,248)	-
Adjustments for increase in other operating receivables		(20,594)	(738,809)
Adjustments for depreciation and amortisation expense		679,445	433,824
Total adjustments to reconcile surplus		**542,430**	**(482,331)**
Net cash flows from operations		**6,512,656**	**617,584**
Interest paid		(106,615)	(55,947)
Interest received		186,788	233,293
Net cash flows from operating activities		**6,592,829**	**794,930**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(6,027,966)	(6,274,416)
Purchase of biological assets		-	(91,500)
Cash flows used in investing activities		**(6,027,966)**	**(6,365,916)**
Cash flows from / (used in) financing activities			
Repayment of long-term liabilities		-	(90,000)
Repayment of operating lease liabilities		(210,467)	(257,240)
Proceeds from instalment sales agreements		647,442	284,920
Loan received from director, manager or employee		(6,817)	(107,660)
Cash flows from / (used in) financing activities		**430,158**	**(169,980)**
Net increase / (decrease) in cash and cash equivalents		**995,021**	**(5,740,966)**
Cash and cash equivalents at beginning of the year		1,788,006	7,528,972
Cash and cash equivalents at end of the year	**8**	**2,783,027**	**1,788,006**

ACCOUNTING POLICIES

1. General information

Care for Wild Rhino Sanctuary NPC ('the non-profit company') operates in the wildlife conservation industry.

The non-profit company is incorporated as a Non-Profit Company and domiciled in South Africa. The address of its registered office is FFA Building no.1 Club Street, Nelspruit Airfield, Mpumalanga, 1200.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Care for Wild Rhino Sanctuary NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008 of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

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 the directors.

The non-profit company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Leasehold improvements	Indefinite useful life
Machinery	5 years
Motor vehicles	5 years
Fixtures and fittings	6 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

2.2 Biological assets

Biological assets at cost

Biological assets comprise of horses. Biological assets are carried at cost less accumulated depreciation and any accumulated impairment losses, as the fair value of these biological assets cannot be reliably determined without undue cost or effort due to the inexistence of an active market, the lack of reliable evidence about comparable market transactions and the limited availability of historical data about the yields of the non-profit company's vineyards, orchards and citrus groves. Cost represents the historic cost of acquisition.

The residual values, useful lives and depreciation method of the non-profit company's biological assets are reviewed, and adjusted if appropriate, if there is an indication of a change since the last reporting date.

2.3 Financial instruments

Loan to (from) group entity

This can include loans between holding entities, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group entity is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

The loan from group entity is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

Loan to (from) director, manager or employee

The loan to director, manager or employee is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

The loan from director, manager or employee is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the non-profit company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Other financial assets

Other financial assets are recognised initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognised in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Commitments to receive a loan that meet the conditions in paragraph 11.8(c) are measured at cost less impairment.

Basis of preparation and summary of significant accounting policies continued...

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 in current liabilities on the statement of financial position.

Other financial liabilities

Other financial liabilities are recognised initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

Where the fair value of other financial liabilities can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognised in surplus or deficit.

Debt instruments are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Other financial liabilities are classified as current liabilities unless the non-profit company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.4 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.5 Leases

Definition

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Classification

A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease when it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases as lessee

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statements of financial position at the lower of the fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. Where it is not, the incremental borrowing rate of the non-profit company is used. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. Depreciation is charged in accordance with the policy set out for property, plant and equipment and intangible assets (whichever is applicable).

Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the non-profit company's right to receive payment has been established and is shown as 'finance income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

Donations received

Donations are accounted for on a cash received basis and where donations have been received in kind at a value that the management committee has deemed them to be worth.

2.7 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

2.8 Borrowing costs

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

ACCOUNTING POLICIES

Basis of preparation and summary of significant accounting policies continued...

2.9 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The non-profit company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

4. Property, plant and equipment

Balances at year end and movements for the year

	Leasehold improvements	Machinery	Motor vehicles	Fixtures and fittings	Total
Reconciliation for the year ended 28 February 2021					
Balance at 1 March 2020					
At cost	5,608,332	710,692	2,146,336	34,210	**8,499,570**
Accumulated depreciation	-	(234,565)	(832,881)	(11,788)	**(1,079,234)**
Net book value	**5,608,332**	**476,127**	**1,313,455**	**22,422**	**7,420,336**
Movements for the year ended 28 February 2021					
Additions from acquisitions	4,928,779	35,000	1,022,022	42,165	**6,027,966**
Depreciation	-	(135,605)	(536,710)	(7,130)	**(679,445)**
Property, plant and equipment at the end of the year	**10,537,111**	**375,522**	**1,798,767**	**57,457**	**12,768,857**
Closing balance at 28 February 2021					
At cost	10,537,111	745,692	3,168,358	76,375	**14,527,536**
Accumulated depreciation	-	(370,170)	(1,369,591)	(18,918)	**(1,758,679)**
Net book value	**10,537,111**	**375,522**	**1,798,767**	**57,457**	**12,768,857**
Reconciliation for the year ended 29 February 2020					
Balance at 1 March 2019					
At cost	-	710,692	1,495,677	18,785	**2,225,154**
Accumulated depreciation	-	(117,141)	(518,230)	(10,039)	**(645,410)**
Net book value	**-**	**593,551**	**977,447**	**8,746**	**1,579,744**
Movements for the year ended 29 February 2020					
Additions from acquisitions	5,608,332	-	650,659	15,425	**6,274,416**
Depreciation	-	(117,424)	(314,651)	(1,749)	**(433,824)**
Property, plant and equipment at the end of the year	**5,608,332**	**476,127**	**1,313,455**	**22,422**	**7,420,336**
Closing balance at 29 February 2020					
At cost	5,608,332	710,692	2,146,336	34,210	**8,499,570**
Accumulated depreciation	-	(234,565)	(832,881)	(11,788)	**(1,079,234)**
Net book value	**5,608,332**	**476,127**	**1,313,455**	**22,422**	**7,420,336**

5. Biological assets

Reconciliation of changes in biological assets

	Horses	Total
Reconciliation for the year ended 28 February 2021		
Balance at 1 March 2020		
At cost	91,500	**91,500**
Accumulated depreciation	-	**-**
Net book value	**91,500**	**91,500**
Closing balance at 28 February 2021		
At cost	91,500	**91,500**
Accumulated depreciation	-	**-**
Net book value	**91,500**	**91,500**
Mature	91,500	91,500
Reconciliation for the year ended 29 February 2020		
Balance at 1 March 2019		
At cost	-	**-**
Accumulated depreciation	-	**-**
Net book value	**-**	**-**
Movements for the year ended 29 February 2020		
Additions	91,500	91,500
Biological assets at the end of the year	**91,500**	**91,500**
Closing balance at 29 February 2020		
At cost	91,500	**91,500**
Accumulated depreciation	-	**-**
Net book value	**91,500**	**91,500**
Mature	91,500	91,500

6. Inventories

Inventories comprise:

Diesel on hand	36,248	-

7. Trade and other receivables

Trade and other receivables comprise:

Prepaid expenses	15,585	-
Value added tax	1,256,449	1,251,440
	1,272,034	1,251,440

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2021	2020

8. Cash and cash equivalents

8.1 Cash and cash equivalents included in current assets:

	2021	2020
Cash		
Cash on hand	42,902	1,877
Balances with banks	2,740,337	1,786,129
	2,783,239	**1,788,006**

8.2 Net cash and cash equivalents

	2021	2020
Current assets	2,783,239	1,788,006
Current liabilities	(212)	-
	2,783,027	**1,788,006**

8.3 Detail of cash and cash equivalent balances

	2021	2020
Bank balances		
Standard Bank Current 030284465	165,479	125,775
Standard Bank Marketlink 131989847	254,100	634,523
Standard Bank Money Market 788429167	10,388	790,674
FNB Current Account 62553380040	147,441	133,804
Paypal CFW SXYMW83PW3JHS	127,935	101,353
Standard Bank Oak Money Market - 258505850001	2,029,606	-
Oak Grant Current Account 60970634	5,388	-
Total	**2,740,337**	**1,786,129**
Credit card	(212)	-
Total	**(212)**	**-**
Cash on hand		
Cash on hand	42,902	1,877

9. Operating lease liabilities

Operating lease liabilities comprise:

	2021	2020
ABSA - 8514433	-	210,467

The above operating lease agreement is for the leasing of an Iveco truck. The lease is payable in monthly instalments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2021	2020
10. Instalment sales agreements		
Instalment sales agreements comprise:		
Standard Bank - 0718 3852 0001	245,621	284,920
The above instalment sale agreement is secured by a Toyota Hilux 2.4 GD-6 SRX 4x4. Interest is levied at a rate of 7.82% per annum and the lease is repayable in monthly instalments.		
Standard Bank - 0718 3852 0002	277,677	-
The above instalment sale agreement is secured by a CASE JX75T ROPS 56KW. Interest is levied at a rate of 11.42% per annum and the lease is repayable in monthly instalments.		
Standard Bank - 0718 3852 0004	409,064	-
The above instalment sale agreement is secured by a FAW 6.130 FL. Interest is levied at a rate of 7.70% per annum and the lease is repayable in monthly instalments.		
	932,362	**284,920**

	2021	2020
11. Loan from director, manager or employee		
Loan from director, manager or employee comprises:		
Christopher de Bruno Austin	1,064,811	1,071,628
The above loan is unsecured, repayable on demand and interest is charged as agreed upon.		

	2021	2020
12. Revenue		
Revenue comprises:		
Curio Sales	41,682	259,208
Grant income	11,365,739	-
Donations, sponsor and fundraising income	15,106,166	19,950,916
Total revenue	**26,513,587**	**20,210,124**

	2021	2020
13. Cost of sales		
Cost of sales comprise:		
Curio purchases	18,239	164,205

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2021	2020

14. Other income

Other income comprises:

Proceeds from insurance claim	11,582	-
Vegetable garden income	1,072	-
Total other income	**12,654**	**-**

15. Administrative expenses

Administrative expenses comprise:

Accounting fees	162,921	145,734
Bank charges	117,832	162,506
Computer expenses	70,266	60,979
Telecommunication	216,487	180,943
Total administrative expenses	**567,506**	**550,162**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2021	2020

16. Other expenses

Other expenses comprise:

Accommodation	8,217	15,895
Advertising	42,969	38,003
Animal feed and welfare expenses	2,072,648	1,831,935
Cleaning	87,217	32,359
Community feeding scheme	35,000	-
Conservation expenses	436,442	416,552
Consulting fees	597,483	537,860
Depreciation	679,445	433,824
Donations	-	7,318
Electricity and water	8,917	7,914
Employee benefit expenses	8,958,246	10,559,692
Entertainment	16,295	9,430
Fundraising expenses	2,823	236,411
Gifts	1,491	433
Insurance	225,215	166,613
Lease rental on operating lease	113,781	401,291
License expenses	-	7,450
Loose tools and equipment	85,994	110,374
Medical expense	-	922
Motor vehicle expense	410,794	469,039
Municipal charges	156,900	180,701
Pest control	2,066	6,952
Petrol and oil	445,092	698,839
Postage	49,429	30,258
Printing and stationery	24,075	27,054
Project expenses	3,838,453	-
Protective clothing	159,633	144,124
Radios	52,104	108,574
Repairs and maintenance	397,698	832,919
Security equipment	35,048	136,499
Staff welfare	681,466	747,419
Training	8,203	12,400
Transport	43,635	8,890
Travel - Local	373,664	355,244
Total other expenses	**20,050,443**	**18,573,188**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2021	2020

17. Finance income

Finance income comprises:

Interest received	186,788	233,293

18. Finance costs

Finance costs included in surplus or deficit:

Interest paid and service fees	106,615	55,947

19. Related parties

Compensation paid to key management personnel

Short-term employee benefits	814,332	723,151

DETAILED INCOME STATEMENT

Figures in R	Notes	2021	2020
Revenue	12		
Curio sales		41,682	259,208
Donations, sponsor and fundraising income		15,106,166	19,950,916
Grant income		11,365,739	-
		26,513,587	**20,210,124**
Cost of sales	13		
Curio purchases		(18,239)	(164,205)
Gross surplus		**26,495,348**	**20,045,919**
Other income	14		
Proceeds from insurance claim		11,582	-
Vegetable garden income		1,072	-
		12,654	**-**
Administrative expenses	15		
Accounting fees		(162,921)	(145,734)
Bank charges		(117,832)	(162,506)
Computer expenses		(70,266)	(60,979)
Telecommunication		(216,487)	(180,943)
		(567,506)	**(550,162)**

DETAILED INCOME STATEMENT

Figures in R	Notes	2021	2020
Other expenses	16		
Accommodation		(8,217)	(15,895)
Advertising		(42,969)	(38,003)
Animal feed and welfare expenses		(2,072,648)	(1,831,935)
Cleaning		(87,217)	(32,359)
Community feeding scheme		(35,000)	-
Conservation expenses		(436,442)	(416,552)
Consulting fees		(597,483)	(537,860)
Depreciation - property, plant and equipment		(679,445)	(433,824)
Donations		-	(7,318)
Electricity and water		(8,917)	(7,914)
Employee costs - directors		(814,332)	(723,151)
Employee costs - salaries		(8,056,737)	(9,836,541)
Employee costs - wages		(87,177)	-
Entertainment		(16,295)	(9,430)
Fundraising expenses		(2,823)	(236,411)
Gifts		(1,491)	(433)
Insurance		(225,215)	(166,613)
Lease rental on operating lease		(113,781)	(401,291)
License expenses		-	(7,450)
Loose tools and equipment		(85,994)	(110,374)
Medical expense		-	(922)
Motor vehicle expense		(410,794)	(469,039)
Municipal charges		(156,900)	(180,701)
Pest control		(2,066)	(6,952)
Petrol and oil		(445,092)	(698,839)
Postage		(49,429)	(30,258)
Printing and stationery		(24,075)	(27,054)
Project expenses		(3,838,453)	-
Protective clothing		(159,633)	(144,124)
Radios		(52,104)	(108,574)
Repairs and maintenance		(397,698)	(832,919)
Security equipment		(35,048)	(136,499)
Staff welfare		(681,466)	(747,419)
Training		(8,203)	(12,400)
Transport		(43,635)	(8,890)
Travel - Local		(373,664)	(355,244)
		(20,050,443)	**(18,573,188)**
Surplus from operating activities		**5,890,053**	**922,569**
Finance income	17		
Interest received		186,788	233,293
Finance costs	18		
Interest paid and service fees		(106,615)	(55,947)
Surplus for the year		**5,970,226**	**1,099,915**

The supplementary information presented does not form part of the annual financial statements and is unaudited

INCOME TAX COMPUTATION

Figures in R	2021	2020
Surplus before tax	5,970,226	1,099,915
PBO exemption status	(5,970,226)	(1,099,915)
	(5,970,226)	(1,099,915)
Taxable income	-	-
Normal tax	-	-