

SOUTH AFRICAN NATIONAL PIGEON ORGANISATION
(Registration number 053/555/NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	National Pigeon organisation
Business address	PE Federation Hall Gqeberha 6001
Bankers	First National Bank
Auditors	Mazars Registered Auditor
Registration number	053/555/NPO
Tax reference number	9795/814/14/5
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: E. Pretorius Chartered Accountant (SA)
Issued	06 August 2021

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The reports and statements set out below comprise the annual financial statements presented to the members:

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South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Management responsibilities and approval | Bestuurs verantwoordelikhede en goedkeuring

Management is required 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 fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations for the period then ended, in conformity with the basis of accounting described in Note 1. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

Management acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, management 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is 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.

Management has reviewed the organisation's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, They are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by management on 06 August 2021 and were signed on its behalf by:

Independent Auditor's Report | Onafhanklike Ouditeurs Verslag

To the management of South African National Pigeon Organisation

Disclaimer of opinion

We were engaged to audit the annual financial statements of South African National Pigeon Organisation set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

We do not express an opinion on the annual financial statements of South African National Pigeon Organisation. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these annual financial statements.

Basis for disclaimer of opinion

We were unable to obtain sufficient appropriate audit evidence that the closing balances as at 31 December 2019 were free of material misstatement, and have been brought forward correctly. We were unable to satisfy ourselves by alternative means concerning the opening balances. Since opening balances enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the movements in the statement of comprehensive income and the changes in equity reported in the statement of changes in equity.

We were not able to obtain sufficient appropriate audit evidence over the balance for property, plant and equipment, trade and other receivables, inventories, cash and cash equivalents, distribution funds and trade and other payables due to supporting information not being available to perform audit procedures over to satisfy ourselves of all relevant assertions.

We were not able to obtain sufficient appropriate audit evidence over the amount for revenue, cost of sales, other income, expenses and investment income due to supporting information not being available to perform audit procedures over to satisfy ourselves of all relevant assertions.

Emphasis of matter - Basis of Accounting

We draw attention to note 1 to the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the organisation's own accounting policies to satisfy the financial information needs of the organisation's management. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as management determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the organisation'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 management either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our responsibility is to conduct an audit of the organisation's annual financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for disclaimer of opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these annual financial statements.

We are independent of the organisation in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

Mazars
J. Comley
Registered Auditor
06 August 2021
Gqeberha

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Statement of Financial Position | Staat van Finansiële Posisie

	Notes Notas	2019 R	2018 R
Assets Bates			
Non-Current Assets Nie- bedryfsbates			
Property, plant and equipment Eiendom, aanleg en toerusting	2	2,000	3,999
Investments Beleggings	3	1,900,000	-
		1,902,000	3,999
Current Assets/ Bedryfsbates			
Trade and other receivables Handels- en ander debiteure	4	211,167	489,201
Inventories Voorraad	5	142,336	197,546
Cash and cash equivalents Kontant en kontantekwivalente	6	1,142,965	2,839,992
		1,496,468	3,526,739
Total Assets Totale Bates		3,398,468	3,530,738
Equity and Liabilities Ekwiteit en Laste			
Equity Ekwiteit			
Lotto distribution fund Lotto verspreidingskoste	7	38,922	38,922
Sport distribution fund Sport ontwikkelingsfonds	8	230,000	290,000
Retained income Behoue inkomste		2,783,931	2,979,036
		3,052,853	3,307,958
Liabilities Laste			
Current Liabilities Bedryfslaste			
Trade and other payables Handels- en ander krediteure	9	345,615	222,780
Total Equity and Liabilities Totale Ekwiteit en Laste		3,398,468	3,530,738

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Detailed Income Statement | Volledige Inkomstestaat

	Note Nota	2019 R	2018 R
Revenue Inkomste			
Handling fees Hanteringsfooi		907,434	1,347,209
Membership fees Ledegeld		272,975	327,840
Other income Diverse inkomste		13,350	14,460
Auction income Veiling inkomste		-	54,203
Appeal Appél		2,000	1,000
		1,195,759	1,744,712
Cost of sales Koste van verkope			
Opening stock Openingsvoorraad		(197,546)	(242,906)
Purchases Aankope		(770,989)	(910,681)
Closing stock Eindvoorraad		142,336	197,546
Stock adjustments Voorraad aanpassings		(5,168)	(70,720)
		(831,367)	(1,026,761)
		364,392	717,951
Gross surplus Bruto inkomste			
Other income Ander inkomste			
Sundry income Diverse inkomste		100	-
Bad debts recovered Slegte skuld verhaal		-	144,343
Illegal substance testing recovery Verbode middel toetsing verhaling		102,500	-
		102,600	144,343
		(839,467)	(1,245,283)
Expenses Bedryfskoste (Refer to page Verwys na bladsy 8)			
Operating loss Bedryfsverlies			
	10	(372,475)	(382,989)
Investment income Beleggingsinkomste		177,372	170,446
Finance costs Rente uitgawe		(2)	-
		177,370	170,446
		(195,105)	(212,543)
Total comprehensive (shortfall) for the year Totale omvattende (tekort) vir die jaar			

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Detailed Income Statement | Volledige Inkomstestaat

	Note Nota	2019 R	2018 R
Operating expenses Bedryfsuitgawes			
Accounting fees Rekeningkundige fooie		(15,805)	(4,027)
Auditor's remuneration Ouditeursvergoeding		-	(23,161)
Bad debts Slegte skuld		-	(400,000)
Bank charges Bankkoste		(2,642)	(5,767)
Computer expenses Rekenaar uitgawes		(3,761)	-
Delivery expenses Afleweringkoste		(8,652)	(6,073)
Depreciation Waardevermindering		(1,999)	(41,122)
Development contributio Ontwikkelingsbydrae		-	(23,527)
Donations Donasies		-	(500)
Functions Funksies		(121,391)	-
Illegal substance testing Verbode middel toetsing		(161,325)	(67,849)
Insurance Versekering		(5,463)	-
Legal expenses Regskoste		-	(8,868)
Loss on exchange differences Valuta verlies		-	(66,108)
Loss on sale of assets Verlies met verkoop van bates		-	(16,170)
Management expenses Bestuursuitgawes		(147,880)	(152,880)
Printing and stationery Drukwerk en skryfbehoeftes		(5,676)	(7,367)
Repairs and maintenance Herstel- en instandhoudingswerk		-	(1,250)
Show expense Skou uitgawes		(20,000)	-
Telephone Telefoon		(48,001)	(60,421)
Travel and accommodation Reis en verblyf		(296,872)	(332,054)
Trophies and certificates Trofeës en sertifikate		-	(28,139)
		(839,467)	(1,245,283)

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Statement of Changes in Equity | Staat van Verandering in Ekwiteit

	Lotto distribution fund Lotto verspreiding skoste	Sport development fund Sport ontwikkeling sfonds	Retained income Behoue inkomste	Total Totaal
	R	R	R	R
Balance at 01 January 2018 Saldo op 01 Januarie 2018	38,922	330,000	3,152,657	3,521,579
Shortfall for the year Tekort vir die jaar	-	(40,000)	(212,543)	(252,543)
Balance at 01 January 2019 Saldo op 01 Januarie 2019	38,922	290,000	2,940,114	3,269,036
Shortfall for the year Tekort vir die jaar	-	(60,000)	(195,105)	(255,105)
Balance at 31 December 2019 Saldo op die 31 Desember 2019	38,922	230,000	2,745,009	3,013,931
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South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Accounting Policies | Rekeningkundige beleid

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis.. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment | Eiendom, aanleg en toerusting

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of items of property, plant and equipment are reviewed only where there is an indication that there has been a significant change from previous estimate.

Item	Depreciation method	Average useful life
IT equipment	Straight line	10 years

The depreciation charge for each period is recognised in surplus or shortfall unless it is included in the carrying amount of another asset.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or shortfall) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include cash and cash equivalents, loans, trade receivables and trade payables. Those debt instruments are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or shortfall.

1.3 Inventories | Voorraad

Inventories | Voorraad are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.4 Revenue | Inkomste

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Annual Financial Statements | Notas tot die Finansiële State

	2019			2018		
	Cost Koste	Accumulated depreciation Opegelope waardevermindering	Carrying value Drabedrag	Cost Koste	Accumulated depreciation Opegelope waardevermindering	Carrying value Drabedrag
IT equipment IT toerusting	5,999	(3,999)	2,000	5,999	(2,000)	3,999

Reconciliation of property, plant and equipment | eiendom, aanleg en toerusting - 2019

	Opening balance Openingsbalans	Depreciation Waardevermindering	Closing balance Sluitingsbalans
IT equipment IT toerusting	3,999	(1,999)	2,000

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Notes to the Annual Financial Statements | Notas tot die Finansiële State

	2019 R	2018 R
3. Investments Beleggings		
At amortised cost		
FNB Fixed deposit FNB Vastebelegging	1,900,000	-
Interest rate per annum of 7.85% to be paid at maturity, investment maturity date 15 November 2021 Rentekoers van 7.85% per jaar betaalbaar op verjaaring, belegging verjaar op 15 November 2021.		
	<u>1,900,000</u>	<u>-</u>
Non-current assets Nie bedryfsbates		
At amortised cost Teen geamortiseerde koste	1,900,000	-
	<u>1,900,000</u>	<u>-</u>
4. Trade and other receivables Handels- en ander debiteure		
Trade receivables Handelsdebiteure	192,370	489,201
FNB Investment accrued interest FNB Belegging opgelope rente	18,797	-
	<u>211,167</u>	<u>489,201</u>
5. Inventories Voorraad		
Merchandise Handelsware	142,336	197,546
	<u>142,336</u>	<u>197,546</u>
6. Cash and cash equivalents Kontant en kontantekwivalente		
Petty cash Kleinkas	-	2,903
Bank balances Bank balanse	1,142,965	2,837,089
	<u>1,142,965</u>	<u>2,839,992</u>
7. Lotto distribution fund Lotto verspreidingskoste		
Balance from previous year Saldo oorgedra	38,922	250,905
Interest received Rente ontvang	-	1,053
Bank charges Bankkoste	-	(2,436)
Cash utilised Kontant aangewend	-	(210,600)
	<u>38,922</u>	<u>38,922</u>
Lotto distribution fund Lotto verspreidingskoste	38,922	38,922
	<u>38,922</u>	<u>38,922</u>
8. Sport development fund Sport ontwikkelingsfonds		
Money Market fund Geldmarkfonds	290,000	478,909
Owed to the general fund Verskuldig aan algemene fonds	(60,000)	(188,909)
	<u>230,000</u>	<u>290,000</u>
9. Trade and other payables Handels- en ander krediteure		
Trade payables Handels krediteure	-	10,757
Sundry creditors Diverse krediteure	1	13,305
Provisions Voorsienings	345,614	198,718
	<u>345,615</u>	<u>222,780</u>

South African National Pigeon Organisation
Annual Financial Statements for the year ended 31 December 2019
Notes to the Annual Financial Statements | Notas tot die Finansiële State

	2019 R	2018 R
10. Operating loss Bedryfsverlies		
Management expenses Bestuursuitgawes		
Secretary Sekretaris	39,400	42,160
Inventory manager Voorraadbestuurder	39,400	42,160
Treasurer Tesourier	58,500	42,160
President President	-	21,400
Prior year adjustment Vorige jaar aansuiwering	10,580	5,000
	147,880	152,880