

# **CONSERVATION LOWER ZAMBEZI**

## **FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED**

**31ST DECEMBER 2013**

**P.PONYA & ASSOCIATES  
(CHARTERED ACCOUNTANTS OF ZAMBIA)  
GROUND FLOOR , PERMANENT HOUSE  
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# **CONSERVATION LOWER ZAMBEZI**

## **Financial Statements**

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# CONSERVATION LOWER ZAMBEZI

## Trustees report

The trustees submit their report for the year ended 31st December 2013

### 1. Review of activities

The body corporate came into being to conserve wild life in the Lower Zambezi.

The operating results and state of affairs of the body corporate are fully set out in the attached annual financial statement and do not in our opinion require any further comment.

### 2. Post Balance Sheet events

The trustees are not aware of any matter or circumstance arising since the end of the Financial year.

### 3. Contributions / Donations

Contributions paid by members and donations and grants received during the year were not sufficient to meet expenditure resulting in a deficit of ZMW 640,997.32 ( Six hundred and forty thousand Nine hundred and ninety seven kwacha Thirty two ngwee only ) as compared to a 2012 surplus of ZMW 707,095.57. However the 2012 surplus was generated by the receipt of funds specifically designated for activities to occur in 2013.

### 4. Trustees

The trustees of the body corporate during the year and to the date of this report are as follows:-

#### Name

CHAIRPERSON:	RICCARDO GARBACCIO
VICE CHAIRPERSON:	TIMOTHY MUSHIBWE
TREASURER:	ALAN R. HARKNESS
SECRETARY:	SARAH DAVIES

#### Members:

ANITA BALLETO  
JASON D. MOTT  
GRANT CUMINGS  
IAN STEVENSON  
CHARLES DAVY  
CHRISTIAAN LIEBENBERG  
TIMOTHY FEATHERBY  
JURI VAN ZYL  
BRENDAN RAISBECK

### 5. Auditors

P. Ponya and Associates were appointed for the year 2013.

# **CONSERVATION LOWER ZAMBEZI**

## **Statement of the Trustees` Responsibility for Annual Financial Statements**

The trustees are 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 the report.

It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the body corporate as at 31st December 2013 and the results of its operations and cash flows for the period then ended , are in conformity with the International Accounting Standards.

The external auditors are engaged to express an independent opinion on the annual financial statements.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control environment. To enable the trustees meet these responsibilities , the board of trustees set 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 body corporate and endeavours to minimize it by ensuring that appropriate infrastructure control systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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. These statements have been examined by external auditors and their report is presented on page 5.

The annual financial statements set out on pages 6 to 12 which have been prepared on the going concern basis were approved by the board of trustees and were signed on their behalf  
by :

.....  
**Riccardo Garbaccio**  
**Chairman**

.....  
**Alan R. Harkness**  
**Treasurer**

# **CONSERVATION LOWER ZAMBEZI**

## **Statement of Accounting Policies**

### **1.0 Presentation of Annual Statement**

The annual financial statements have been prepared in accordance with the International Accounting standards. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

### **1.1 Income and expenditure**

The body corporate is a non -profit making concern.

Income is derived from members and donations from well-wishers.

### **1.2 Property , Plant and Equipment**

Property, Plant and Equipment are stated at cost or valuation. Buildings are depreciated on straight line basis at 2%.

### **1.3 Deferred Taxation**

Deferred taxation arising from temporary timing differences between income reflected in the financial statement and taxable income is provided for using the liability method except where it can reasonably be demonstrated that no income tax will arise in the foreseeable future.

### **1.4 Assets and Liabilities Denominated in Foreign Currency**

Assets and Liabilities expressed in foreign Currency are translated at the rate of exchange arising in the normal course of business and credited or charged to the income and expenditure account in the year in which they are realized.

### **1.5 Revenue Recognition**

Revenue is recognized when it is possible that the economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably; interest income is recognized as it accrues.

# **CONSERVATION LOWER ZAMBEZI**

## **Statement of Accounting Policies ( continued )**

### **1.6 Financial Instruments**

#### **Initial recognition**

The Association classifies financial instruments or their component parts , on initial recognition as a financial asset , a financial liability or an equity instrument in accordance with substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the Association`s balance sheet when the association becomes party to the contractual provision of the instrument.

#### **Trade receivables**

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of any outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

#### **Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events , where it is possible that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### **Trade payables**

Trade payables are carried at anticipated realizable value.

#### **Cash and Cash equivalents**

For the purpose of the cash flow statement , cash and cash equivalents comprise of cash in hand and deposits held on call at banks, cash and cash equivalent is stated at cost which is equivalent to fair value

**P. PONYA AND ASSOCIATES**  
**Chartered Accountants of Zambia**  
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**Permanent House Cairo Road**  
**P. O. Box 32620 LUSAKA**  
**email: hlmconsult@yahoo.co.uk**

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**THE INDEPENDENT AUDITORS TO THE MEMBERS OF CONSERVATION LOWER ZAMBEZI**

**Report on the financial statements**

We have audited the financial statements of CONSERVATION LOWER ZAMBEZI which comprise of the statement of financial position as at 31st December 2013 and the income statement and statement of cash flow for the year then ended, and the notes to the financial statements, which includes a summary of significant accounting policies and other explanatory notes as set on pages 9 to 11.

**Trustees' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, presentation of financial statements that are free from material misstatement, whether due to error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion the financial statements present fairly, in all material respects, the financial position of CONSERVATION LOWER ZAMBEZI as at 31st December 2013 and its financial performance and cash flow for the period then ended in accordance with the International Financial Reporting Standards.

**Report on the legal and regulatory requirements**

In accordance with the Company's Act 1994, we report that, in our opinion, the required accounting records, other records and registers have been properly kept in accordance with the Act.

**P. Ponya & Associates**  
**Chartered Accountants**

**10th February 2014**



CONSERVATION LOWER ZAMBEZI

SUMMARISED INCOME STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER 2013

		2013 ZMW	2012 ZMW
<b>INCOME</b>	<b>1</b>	<b>2,181,695</b>	<b>2,296,718</b>
OTHER INCOMES		-	31,200
<b>TOTAL INCOME</b>		<b>2,181,695</b>	<b>2,327,918</b>
LESS COST OF SALES	<b>2</b>	<b>(214,288)</b>	<b>(130,749)</b>
<b>GROSS PROFIT</b>		<b>1,967,407</b>	<b>2,197,169</b>
LESS OPERATIONAL EXPENSES		<b>2,713,087</b>	<b>1,491,366</b>
EXCHANGE GAIN / (LOSS)		<b>(104,683)</b>	<b>(1,293)</b>
<b>NET SURPLUS / ( DEFICIT ) BEFORE TAX</b>		<b>(640,997)</b>	<b>707,096</b>
TAXATION		-	-
<b>NET SURPLUS / ( DEFICIT ) AFTER TAX</b>		<b>(640,997)</b>	<b>707,096</b>
SURPLUS / ( DEFICIT ) BROUGHT FORWARD		<b>796,509</b>	<b>88,914</b>
<b>SURPLUS / ( DEFICIT ) CARRIED FORWARD</b>		<b>155,512</b>	<b>796,509</b>

**CONSERVATION LOWER ZAMBEZI**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2013**

	NOTES	2013 ZMW	2012 ZMW
<b>ASSETS</b>			
<b>Non current assets</b>			
Property , plant and equipment	13	6,753,994	6,753,994
<b>Current assets</b>			
Bank and Cash	8	796,224	1,258,602
		<u>796,224</u>	<u>1,258,602</u>
<b>Total current assets</b>		<u>796,224</u>	<u>1,258,602</u>
<b>Net Assets</b>		<u>7,550,218</u>	<u>8,012,596</u>
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	9	7,345,584	7,345,584
Retained earnings	10	155,512	796,009
<b>TOTAL EQUITY</b>		<u>7,501,096</u>	<u>8,141,593</u>
<b>Current Liabilities</b>			
Trade payables	11	33,527	-
Accruals	11	15,594	18,900
		<u>49,122</u>	<u>18,900</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>7,550,218</u>	<u>8,160,493</u>

The responsibilities of the Trustees` with regard to the preparation of the financial statements are set out on page 2. The financial statements on pages 6 through to 12 were approved by the board of trustees and were signed on its behalf by :

.....  
**Riccardo Garbaccio**  
**Chairman**

.....  
**Alan R. Harkness**  
**Treasurer**

**CONSERVATION LOWER ZAMBEZI**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013**

	<i>Share Capital</i>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 01.01.2013	-	<b>796,509</b>	<b>796,509</b>
Movement / adjustment	-	-	-
Profit ( Loss ) for the period		<b>(640,997)</b>	<b>(640,997)</b>
Balance as at 31.12.2013	-	<b>155,512</b>	<b>155,512</b>

**CONSERVATION LOWER ZAMBEZI**

**STATEMENT OF CASH FLOW AS AT 31ST DECEMBER 2013**

	<b>2013</b>	2012
	<b>ZMW</b>	ZMW
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
SURPLUS/(DEFICIT) BEFORE TAX	<b>(640,997)</b>	707,096
ADD: DEPRECIATION	<b>147,898</b>	147,898
ITEMS NOT INVOLVING THE MOVEMENT OF CASH		(31,200)
<b>OPERATING DEFICIT</b>	<b>(493,100)</b>	823,793
( INCREASE) / DECREASE IN ACCOUNTS PAYABLES	<b>(33,527)</b>	(4,862)
INTEREST PAID	-	-
EXCHANGE GAIN / LOSS	<b>(104,683)</b>	1,293
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(631,310)</b>	820,224
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
DISPOSAL OF NON CURRENT ASSETS	-	29,907
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>NET CASH INFLOW / ( OUTFLOW)</b>	<b>(462,378)</b>	850,631
Cash and cash equivalents as at beginning of the year	<b>1,258,602</b>	407,971
Cash and cash equivalents as at end of the year	<b>796,224</b>	1,258,602
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>796,224</b>	1,258,602

**CONSERVATION LOWER ZAMBEZI**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2012**

NOTE	2013 ZMW	2012 ZMW
<b>1 INCOME</b>		
Donations	271,640	863,309
Change for Conservation	-	1,938
Operator Additional Donations	-	-
Membership fees	598,506	643,926
Member Additional Donations	-	59,093
Grants	1,108,551	400,935
EEP Programme	-	73,951
Training & exams	43,817	63,482
Camp facilities	92,213	83,717
Fund raisers	54,405	40,480
In Kind Donations		
Merchandise sales	12,564	65,888
	<u>2,181,695</u>	<u>2,296,718</u>
<b>2 COST OF SALES</b>		
Purchases / C.O.S - Food / beverages	-	108,053
Purchases / C.O.S - Merchandise	10,678	12,346
EEP Food and Consumables	188,261	-
Guide Training Costs	15,349	10,350
	<u>214,288</u>	<u>130,749</u>
<b>3 EEP COST</b>		
EEP Other Costs	-	125
	<u>-</u>	<u>125</u>
<b>4 EQUIPMENT / PLANT HIRE</b>		
Plane Hire	-	6,075
	<u>-</u>	<u>6,075</u>
<b>5 REPAIRS &amp; MAINTENANCE</b>		
Building	10,393	40,756
Electrical Appliances	69,814	23,980
Camp	44,415	76,016
Plane	73,770	29,120
Motor vehicle & boats	509,708	106,047
	<u>708,099</u>	<u>275,919</u>
<b>6 REPLACEMENTS</b>		
Linen	-	1,700
Other	-	231
Uniforms	9,746	2,452
ZAWA support	-	3,318
Kitchen equipment	814	2,175
Cutlery	640	-
Furniture and fitting	37,312	82,243
	<u>48,513</u>	<u>92,118</u>

**CONSERVATION LOWER ZAMBEZI**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2013 (CONTINUED)**

NOTE	2013 ZMW	2012 ZMW
<b>7 FUEL , OIL AND LUBRICANTS</b>		
Diesel	211,101	71,544
Petrol	3,798	56,340
Motor oils	-	2,820
	<u>214,899</u>	<u>130,704</u>
<b>8 BANK / CASH</b>		
FNB Bank Kwacha	80,963	-
FNB Bank Dollar	710,623	-
Standard Chartered Kwacha	-	264,824
Standard Chartered USD ( \$186,534.41 @ 5253)	-	979,865
	<u>791,586</u>	<u>1,244,689</u>
CASH ON HAND - Kwacha	1,553	10,308
- USD	3,086	3,605
	<u>4,638</u>	<u>13,913</u>
<b>BANK AND CASH</b>	<b>796,224</b>	1,258,602
<b>9 SHARE CAPITAL</b>		
RDE - Demerger Reserve	7,345,584	7,345,584
	<u>7,345,584</u>	<u>7,345,584</u>
<b>10 RETAINED EARNINGS</b>		
Retained Earnings as at 01.01.2013	796,009	88,914
Surplus / ( Deficit ) for the year	155,512	707,096
Retained Earnings as at 31.12.2013	<u>951,521</u>	<u>796,009</u>
<b>11 PAYABLES / ACCRUALS</b>		
Supplier Control Account	14,627	-
Sundry suppliers	18,900	-
	<u>33,527</u>	<u>-</u>
<b>ACCRUALS</b> - NAPSA	<b>6,593</b>	-
- PAYE	5,536	-
- Other Accruals -Net Pay Control	3,466	13,400
- Audit fees	-	5,500
	<u>15,594</u>	<u>18,900</u>

## CONSERVATION LOWER ZAMBEZI

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2013

#### NOTE

#### 13 FIXED ASSET SCHEDULE

Cost/Valuation	Land and Buildings ZMW	Total ZMW
As at 01/01/13	7,394,884	7,394,884
Additions	-	-
Disposals	-	-
As at 31/12/13	7,394,884	7,394,884
<b>Depreciation</b>		
As at 01/01/13	492,992	492,992
Charge for the year	147,898	<b>147,898</b>
As at 31/12/13	640,890	640,890
<b>Net Book Value</b>		
As at 31/12/13	6,753,994	6,753,994
As at 31/12/12 ZMW	<b>6,753,994</b>	<b>6,753,994</b>
As at 31/12/12 ZMW	6,901,892	6,901,892

## CONSERVATION LOWER ZAMBEZI

### DETAILED STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2013

	NOTE	2013	2012 ZMW
<b>INCOME</b>	1	<b>2,181,695</b>	2,296,718
DIRECT COST	2	<b>214,288</b>	(130,749)
<b>GROSS PROFIT</b>		<b>1,967,407</b>	2,165,969
<b>OTHER INCOME</b>		-	31,200
		1,967,407	2,197,169
<b>LESS OPERATING EXPENSES</b>			
Accountancy / Audit fees		<b>6,000</b>	5,500
Bank charges		<b>19,862</b>	8,254
Cleaning		<b>9,413</b>	7,801
Computer expenses		<b>9,480</b>	2,360
Educator costs		-	-
EEP Costs	3	-	125
Depreciation		147,898	147,898
Gas		<b>14,094</b>	8,016
Entertainment expenses		<b>3,756</b>	5,947
Equipment / Plant Hire	4	-	6,075
Insurance		<b>10,353</b>	-
Interest Paid		-	-
Licences		<b>4,131</b>	15,890
Park fees		<b>3,726</b>	-
Printing & Stationery		<b>13,632</b>	11,771
Courier and Postage		-	-
Professional Fees		-	-
Repairs & Maintenance	5	<b>708,099</b>	275,919
Replacements	6	<b>48,513</b>	92,118
Salaries & Wages		<b>401,624</b>	328,684
Staff Training		<b>9,083</b>	-
Medical Fees		<b>37,193</b>	26,152
Security		-	-
Telephone & fax		<b>15,220</b>	15,601
Travel - Local		<b>78,143</b>	40,897
Travel - Overseas		<b>26,990</b>	7,763
AV Gas		<b>57,819</b>	37,790
Customs Duties		<b>2,400</b>	-
Internet Costs		-	-
Donations		<b>2,500</b>	-
Village Scout Payroll		<b>126,233</b>	-
Village Scout Expenses		<b>219,438</b>	-
Scout Prizes		-	-
Fuel , Oil and Lubricants	7	<b>214,899</b>	130,704
Electricity and Water		-	-
Mobile Camp		-	-
ZAWA Assistance		<b>193,609</b>	3,780
ZAWA Incentives		<b>3,275</b>	2,647
Chinyunyu and Luangwa Teams		<b>42,938</b>	84,910
Ammunition		<b>18,705</b>	1,500
AMSCO Management Fee		<b>253,343</b>	217,491
Workers Compensation		<b>10,722</b>	5,775
<b>TOTAL OPERATIONAL EXPENSES</b>		<b>2,713,087</b>	1,491,366
<b>Exchange Gain / (Loss)</b>		<b>(104,683)</b>	(1,293)
<b>NET SURPLUS / ( DEFICIT ) BEFORE TAX</b>		<b>(640,997)</b>	707,096