



NATIONAL ASSOCIATION FOR CLEAN AIR
NPO NUMBER: 029-315-NPO
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Prepared by RP Murphy CA (SA)
RP Murphy and Associates
Chartered Accountants (SA)
Registered Auditors

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
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The reports and statements set out below comprise the annual financial statements presented to the council members.

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with generally accepted accounting practices. They incorporate responsible disclosure and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

The annual financial statements have been prepared on the going concern basis, as the trustees are of the opinion that the association will continue in operational existence for the foreseeable future.

The annual financial statements appearing on pages 3 - 10 were approved by the council trustees on 1 September 2020, and are signed to this effect by;

President: Professor Stuart Piketh

National Administrator: Ms Beverly Terry

Deputy President and Financial Officer: Ms Gabi Mkhathshwa

RP MURPHY AND ASSOCIATES

Registered Accountants and Auditors

Chartered Accountants

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To the members of the National Association for Clean Air

We have reviewed the annual financial statements of The National Association for Clean Air, set out on pages 3 to 10, which comprise the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees's Responsibility for the Annual Financial Statements

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

Independent Reviewer Responsibility

Our responsibility is to express a conclusion on the annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of the National Association for Clean Air at 30 June 2019, 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,

Other reports required by the Companies Act

As part of our independent review of the annual financial statements for the year ended 30 June 2020, we have read the trustee's report for the purpose of identifying whether there are material inconsistencies between that report and the reviewed annual financial statements. The trustee's report is the responsibility of the trustees. Based on reading that report we have not identified material inconsistencies between it and the reviewed annual financial statements. However, we have not reviewed the trustee's report and accordingly do not express a conclusion thereon.



RP Murphy and Associates
Chartered Accountants (SA)
Registered Auditors

20 August 2020
102 Van Bergen Street
Brackenhurst
Alberton
1449

Per: RP Murphy
Johannesburg

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
REPORT OF THE COUNCIL TRUSTEES

The trustees present their annual report, which forms part of the annual financial statements of the association for the year ended 30 June 2020.

PRINCIPLE ACTIVITIES OF THE ASSOCIATION

The principle activity of the association during the year was the promotion of the cause of clean air in South Africa.

OPERATING RESULTS

The net deficit of the association for the year was R24,129

DISTRIBUTIONS

No distributions were made nor were any recommended during the year under review.

REVIEW OF OPERATIONS AND OPERATING RESULTS

The results of operations are set out fully in the financial statements.

CHANGES IN THE NATURE OF FIXED ASSETS

There were no changes in the nature of the fixed assets nor the policies relating to the use of these fixed assets.

EVENTS SUBSEQUENT TO BALANCE SHEET

The trustees are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the association or the results of its operations.

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT OF COMPREHENSIVE INCOME

| | Note | 2020 R | 2019 R |
|---|------|------------------|------------------|
| REVENUE | 1 | | |
| Sponsorship and conference income | | 1,886,936 | 1,758,585 |
| Interest received | | 21,916 | 31,390 |
| Course fees | | 317,019 | 704,587 |
| Functions and seminar income | | 9,500 | 33,100 |
| Journal advertising | | 49,000 | 69,432 |
| Membership fees | | 73,747 | 122,217 |
| Sundry income | | - | - |
| GROSS INCOME | | <u>2,358,118</u> | <u>2,719,310</u> |
| EXPENDITURE | | <u>2,382,247</u> | <u>2,720,685</u> |
| Accounting fees | | 42,823 | 57,999 |
| Advertising, marketing and promotions | | 23,776 | 46,763 |
| Audit and review fees | | 9,000 | 8,000 |
| Bank charges | | 7,883 | 9,040 |
| Cleaning expenses | | 1,294 | 1,393 |
| Computer expenses | | 12,043 | 4,879 |
| Course expenses | | 126,576 | 430,107 |
| Depreciation | 1 | 2,833 | 2,025 |
| Functions expenses | | 1,514 | 26,438 |
| Insurance | | 16,705 | 14,775 |
| Internet subscriptions | | 1,037 | 1,743 |
| Journals, magazines and newsletters | | 72,150 | 58,610 |
| Meetings expenses | | 7,729 | 12,929 |
| Postage and courier | | 226 | - |
| Outreach expenses | | 15,000 | - |
| Printing and stationery | | 2,275 | 11,690 |
| Rent paid | | 36,000 | 35,250 |
| Salaries and contributions | | 326,291 | 317,421 |
| Sponsorship and conference expenses | | 1,595,611 | 1,583,626 |
| Subscriptions membership | | 17,500 | - |
| Telecommunication expenses | | 38,010 | 27,228 |
| Travel expenses | | <u>25,972</u> | <u>70,769</u> |
| NET SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION | | (24,129) | (1,375) |
| TAXATION | | <u>-</u> | <u>-</u> |
| NET SURPLUS/(DEFICIT) AFTER TAXATION | | <u>(24,129)</u> | <u>(1,375)</u> |

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT OF FINANCIAL POSITION

| | Note | 2020 R | 2019 R |
|-----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | <u>11,510</u> | <u>5,738</u> |
| Property, plant and equipment | 2 | <u>11,510</u> | <u>5,738</u> |
| CURRENT ASSETS | | <u>880,749</u> | <u>941,002</u> |
| Prepayments and other receivables | 4 | 1,586 | 194,796 |
| Accounts receivable | 4 | 207,114 | 395,492 |
| Council bank accounts | | 668,932 | 350,714 |
| VAT Receivable | | <u>3,117</u> | <u>-</u> |
| TOTAL ASSETS | | <u>892,259</u> | <u>946,740</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | <u>545,731</u> | <u>569,860</u> |
| Bursary fund | 3 | - | - |
| Accumulated surplus | | <u>545,731</u> | <u>569,860</u> |
| CURRENT LIABILITIES | | <u>346,528</u> | <u>376,880</u> |
| Trade and other payables | | 17,220 | 45,231 |
| Funds received in advance | 4 | 270,169 | 322,171 |
| Funds received in error | 6 | 59,139 | - |
| Vat payable | | <u>-</u> | <u>9,478</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>892,259</u> | <u>946,740</u> |

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT OF CHANGES IN EQUITY

| | Share Capital R | Accumulated Surplus R | Total R |
|--------------------------|-----------------------|-----------------------------|------------|
| Balance at 30 June 2010 | - | 1,129,352 | 1,129,352 |
| Net deficit for the year | - | (191,866) | (191,866) |
| Balance at 30 June 2011 | - | 937,486 | 937,486 |
| Net deficit for the year | - | (52,982) | (52,982) |
| Balance at 30 June 2012 | - | 884,504 | 884,504 |
| Prior year adjustments | | 139,000 | 139,000 |
| Net deficit for the year | - | (94,546) | (94,546) |
| Balance at 30 June 2013 | - | 928,957 | 928,957 |
| Net deficit for the year | - | (588,321) | (588,321) |
| Balance at 30 June 2014 | - | 340,637 | 340,637 |
| Net surplus for the year | - | 434,779 | 434,779 |
| Balance at 30 June 2015 | - | 775,416 | 775,416 |
| Net deficit for the year | - | (109,551) | (109,551) |
| Balance at 30 June 2016 | - | 665,865 | 665,865 |
| Net deficit for the year | - | (236,647) | (236,647) |
| Balance at 30 June 2017 | - | 429,218 | 429,218 |
| Net surplus for the year | - | 142,018 | 142,018 |
| Balance at 30 June 2018 | - | 571,235 | 571,235 |
| Net deficit for the year | | (1,375) | (1,375) |
| Balance at 30 June 2019 | - | 569,860 | 569,860 |
| Net deficit for the year | | (24,129) | (24,129) |
| Balance at 30 June 2020 | - | 545,731 | 545,731 |

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
STATEMENTS OF CASH FLOWS

| | Note | 2020 R | 2019 R |
|---|------|----------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (utilised) / generated by operations | 5.1 | 308,024 | (632,358) |
| Interest received | | 21,916 | 31,390 |
| Taxation paid | | - | - |
| VAT receivable | | <u>(3,117)</u> | <u>-</u> |
| Net cash flow from operating activities | | <u>326,823</u> | <u>(600,968)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment (net of proceeds) | | <u>(8,605)</u> | <u>(4,693)</u> |
| Net cash flow from investing activities | | <u>(8,605)</u> | <u>(4,693)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| No long term borrowings | | <u>-</u> | <u>-</u> |
| Net cash flow from financing activities | | <u>-</u> | <u>-</u> |
| Net (decrease)/increase in cash and cash equivalents | | 318,218 | (605,661) |
| Cash and cash equivalents at beginning of year | | <u>350,714</u> | <u>956,375</u> |
| Cash and cash equivalents at end of year | 5.2 | <u>668,932</u> | <u>350,714</u> |

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The annual financial statements have been prepared on the historical cost basis and in accordance with statements of generally accepted accounting practice.

The following are the principle accounting policies of the association, which are consistent in all material respects with those applied in the previous year, except for revenue income which is now recorded on the accrual basis.

1.1 PROPERTY, PLANT AND EQUIPMENT

Fixed assets, excluding investment property are stated at cost less accumulated depreciation calculated on a straight line basis at rates considered appropriate to reduce the values of these assets over their estimated useful lives.

1.2 REVENUE

Revenue comprises membership fees, advertising and sponsorship income recorded on the accrual basis.

| | 2020 R | 2019 R |
|---|---------------|---------------|
| 2. PROPERTY, PLANT AND EQUIPMENT | | |
| Owned assets | | |
| Furnishings, Computers and office equipment | | |
| At cost | 84,959 | 76,354 |
| Accumulated depreciation | <u>73,449</u> | <u>70,616</u> |
| | <u>11,510</u> | <u>5,738</u> |
| 3. BURSARY FUND | | |
| Balance at beginning of year | - | - |
| Movement during year | | |
| Adjustment | <u>-</u> | <u>-</u> |
| Balance at end of year | <u>-</u> | <u>-</u> |
| 4. MEMBERSHIP FEES AND INCOME | | |

Included in accounts receivable are the following years fees still outstanding;

2019 membership fees R11,125
 Membership fees prior to 2019 R42,914
 2019 conference fees R34,500
 2019 journal / function fees R84,690

DEA fees received in advance R269,170
 Membership fees received in advance R999

NATIONAL ASSOCIATION FOR CLEAN AIR
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2020 R | 2019 R |
|--|--------------------|------------------|
| 5. NOTES TO THE CASH FLOW STATEMENT | | |
| Reconciliation of net (deficit)/surplus before taxation to cash (utilised)/generated by operations | | |
| Net (deficit)/surplus before taxation | (24,129) | (1,375) |
| Adjustment for: | | |
| Depreciation | 2,833 | 2,025 |
| Interest received | <u>(21,916)</u> | <u>(31,390)</u> |
| Operating (deficit)/surplus before working capital changes | (43,212) | (30,740) |
| Working capital changes: | | |
| (Increase)/Decrease in accounts receivable and prepayments | 381,588 | 186,727 |
| (Decrease)/Increase in funds received in advance | (52,002) | (558,717) |
| Increase/(Decrease) in trade and other payables | (37,489) | (229,628) |
| Increase/(Decrease) in receipts in error | 59,139 | - |
| Cash (utilised)/generated by operations | 5.1 <u>308,024</u> | <u>(632,358)</u> |
| Bank overdraft | - | - |
| Cash on hand and at bank | <u>668,932</u> | <u>350,714</u> |
| Cash and cash equivalents | 5.2 <u>668,932</u> | <u>350,714</u> |
| 6. FUNDS RECEIVED IN ERROR | | |
| Bank receipt referenced Ekurhuleni currently under investigation | <u>59,139</u> | <u>-</u> |