South African Power Flying Association NPC
(Registration number 2019/141851/08)
Financial statements
for the year ended 31 December 2024

Adams, Schouw & Cain 2 Inc.
Registered Accountants
Issued 12 February 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Recreational Sport Flying
Directors	F.M. Eckard L.S. Bouttell C.M. du Plessis
Postal address	PO Box 18018 Germiston Gauteng 1401
Bankers	FNB / Nedbank
Reviewers	Adams, Schouw & Cain 2 Inc. Registered Accountants
Company registration number	2019/141851/08
Tax reference number	9661/683/17/8
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.

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

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Companies Act 71 of 2008 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on pages 4 to 5.

The financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the director on 12 February 2025 and were signed on its behalf by:

Approval of financial statements

L.S. Bouttell

Wednesday, 12 February 2025

Adams, Schouw & Cain 2 Inc.
Chartered Accountants (South Africa)

9 Mitchell Street, Hermanus

P.O. Box 2244, Hermanus,
South Africa, 7200

Reg. no: 2008/000628/21

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Independent Reviewer's Report

To the Directors of South African Power Flying Association (Pty) Ltd

We have reviewed the financial statements of South African Power Flying Association NPC, set out on pages 7 to 15, which comprise the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation of these 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, 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.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the 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 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 financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of South African Power Flying Association NPC as at 31 December 2024, 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.

Independent Reviewer's Report

Other Reports Required by the Companies Act

The financial statements include the Directors' Report as required by the Companies Act 71 of 2008. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.

Selwyn Schemel
Director
Adams, Schouw & Cain 2 Inc.
Registered Accountants

12 February 2025
Hermanus

Directors' Report

The directors have pleasure in submitting their report on the financial statements of South African Power Flying Association NPC for the year ended 31 December 2024.

1. Nature of business

South African Power Flying Association NPC was incorporated in South Africa with interests in the Recreational Sport industry.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors
F.M. Eckard
L.S. Bouttell
C.M. du Plessis

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Review

The financial statements are subject to an independent review and have been reviewed by Adams, Schouw & Cain 2 Inc.

7. Secretary

The company secretary is Ms. Tarryn Myburgh..

8. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

Statement of Financial Position as at 31 December 2024

	Note(s)	2024 R	2023 R
Assets			
Current Assets			
Trade and other receivables	2	19 530	38 900
Cash and cash equivalents	3	679 474	530 450
		699 004	**569 350**
Total Assets		**699 004**	**569 350**
Equity and Liabilities			
Equity			
Retained income		601 345	515 134
Liabilities			
Current Liabilities			
Trade and other payables	4	32 207	23 887
Current tax payable		65 452	30 329
		97 659	**54 216**
Total Equity and Liabilities		**699 004**	**569 350**

Statement of Comprehensive Income

	Note(s)	2024 R	2023 R
Revenue		555 609	924 480
Other income		41 952	40 248
Operating expenses		(476 227)	(785 139)
Operating profit		**121 334**	**179 589**
Finance costs	5	(2 363)	-
Profit before taxation		**118 971**	**179 589**
Taxation	6	(32 760)	(30 329)
Profit for the year		**86 211**	**149 260**
Other comprehensive income		-	-
Total comprehensive income for the year		**86 211**	**149 260**

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 January 2023	**365 874**	**365 874**
Profit for the year	149 260	149 260
Other comprehensive income	-	-
Total comprehensive income for the year	**149 260**	**149 260**
Balance at 01 January 2024	**515 134**	**515 134**
Profit for the year	86 211	86 211
Other comprehensive income	-	-
Total comprehensive income for the year	**86 211**	**86 211**
Balance at 31 December 2024	**601 345**	**601 345**

Statement of Cash Flows

	Note(s)	2024 R	2023 R
Cash flows from operating activities			
Cash generated from operations	7	107 072	101 513
Investment income		41 952	34 248
Net cash from operating activities		**149 024**	**135 761**
Total cash movement for the year		**149 024**	**135 761**
Cash and cash equivalents at the beginning of the year		530 450	394 689
Total cash at end of the year	3	**679 474**	**530 450**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the directors determined that the useful lives of certain items of surveillance equipment should be shortened, due to developments in technology.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to increase the depreciation expense in the current financial year and for the next 3 years, by the following amounts:

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment, investment property on the cost model and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less 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 company.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting Policies

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 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 profit or loss) 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 loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 profit or loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Accounting Policies

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 Revenue

Revenue is recognised to the extent that the company 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 company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.9 Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

	2024 R	2023 R

2. Trade and other receivables

Trade receivables	19 530	38 900

3. Cash and cash equivalents

Cash and cash equivalents consist of:

FNB Business	99 849	7 133
FNB Call Account	579 625	259 726
Nedbank Cheque	-	263 591
	679 474	**530 450**

4. Trade and other payables

Trade payables	22 459	20 699
VAT payable	9 748	3 188
	32 207	**23 887**

5. Finance costs

Receiver of Revenue	2 363	-

6. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - year	32 760	30 329

7. Cash generated from operations

Net profit before taxation	118 971	179 589
Investment income	(41 952)	(34 248)
Finance costs	2 363	-
Changes in working capital:		
Trade and other receivables	19 370	(38 900)
Trade and other payables	8 320	(4 928)
	107 072	**101 513**

	2024 R	2023 R

8. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

9. Categories of financial instruments

Debt instruments at amortised cost

Cash and cash equivalents	679 474	530 450
Trade and other receivables	19 530	38 900
	699 004	**569 350**

Financial liabilities at amortised cost

Trade and other payables	32 207	23 887

Detailed Comprehensive Income Statement

	Note(s)	2024 R	2023 R
Revenue			
Membership Subscription		69 683	85 192
Fun Rallies		19 813	11 113
Rally / ANR / Precision - Flying Championships		-	16 919
Speed Rallies		15 591	137 864
Sponsorships Received - PTAR		197 000	115 000
Entry Fees - PTAR		248 522	120 522
Banquets, Functions and Stand Fees - PTAR		5 000	13 309
WRPF Management Fees		-	424 561
		555 609	**924 480**
Other income			
Interest received		41 952	34 248
Sale of small assets		-	6 000
		41 952	**40 248**
Operating expenses			
Bosberaad		(58 548)	(69 078)
Fun Rallies		(5 231)	(6 494)
PTAR Expenditure		(304 156)	(256 470)
SAPFA Website		(2 065)	(7 165)
South African Rally Championship - FLASH / FABS		-	(50 442)
Speed Rallies		(27 197)	(59 428)
World Flying Championships		-	(7 640)
WRFC - France		-	(127 674)
WRFC - Brits		-	(90 000)
Overhead Expenses			
Accounting Fees		(34 450)	(42 085)
Bank Charges		(1 260)	(1 715)
Equipment Purchases		-	(31 971)
Independent reviewers remuneration		(12 000)	-
Insurance		(13 443)	(13 815)
Printing and Stationery		-	(4 328)
SAPFA RAASA - ARD Annual Fee		(925)	(880)
Tracker Airtime		(11 735)	(15 954)
		(471 010)	**(785 139)**
Operating profit		**126 551**	**179 589**
Finance costs	5	(2 363)	-
Profit before taxation		**124 188**	**179 589**
Taxation	6	(32 760)	(30 329)
Profit for the year		**91 428**	**149 260**

Tax Computation

	2024 R
Net profit per income statement	118 971
Temporary differences	
Expenses not actually incurred in the production of income (s11(a))	2 363
Imputed net income from CFC	-
Assessed loss brought forward	-
Taxable income for 2024	**121 334**
Tax thereon @ 27% in the Rand	**32 760**
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	30 329
Prior year adjustment	2 363
Amount refunded/(paid) in respect of prior year	-
Amount owing/(prepaid) in respect of prior year	**32 692**
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	32 760
1st provisional payment	-
2nd provisional payment	-
Other payments	-
Amount owing/(prepaid) at the end of year	**65 452**