

**THE FRIENDS OF STEENBOK NATURE RESERVE TRUST**  
**Annual financial statements**  
**for the year ended 30 September 2020**

**The Friends of Steenbok Nature Reserve Trust**  
**Annual Financial Statements for the year ended 30 September 2020**

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

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

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**Preparer**

Peter Michaelides  
CA (SA)

## Independent Auditor's Report

### To the trustees of The Friends of Steenbok Nature Reserve Trust

#### Qualified opinion

We have audited the annual financial statements of The Friends of Steenbok Nature Reserve Trust set out on pages 6 to 12, which comprise the balance sheet as at 30 September 2020, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of The Friends of Steenbok Nature Reserve Trust as at 30 September 2020, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 to the financial statements.

#### Basis for qualified opinion

In common with similar organisations, it is not feasible for the company to institute accounting controls over cash collections from donations prior to their being deposited in the bank account. Accordingly, it was impracticable for us to extend our examination beyond receipts actually banked.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of matter

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

#### Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Property Control Act 57 of 1988 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### DIRECTORS:

PB MICHAELIDES B COM HONS CA(SA) CA KRETMANN B COM RAT (LAW) (HONS) CA(SA) T FACTOR B COM (HONS) CA(SA) L STANDER B COMPT PGDIP AAS CA(SA)

## Independent Auditor's Report

### Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees 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, the trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust 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 objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.



**Lindi Stander**  
Director: MPK Chartered Accountants Inc.  
Chartered Accountants (SA)  
Registered Auditors

**04 November 2020**  
Knysna

**DIRECTORS:**

PB MICHAELIDES B COM HONS CA(SA) CA KRETMANN B COM RAT (LAW) (HONS) CA(SA) T FACTOR B COM (HONS) CA(SA) L STANDER B COMPT PGDIP AAS CA(SA)

**The Friends of Steenbok Nature Reserve Trust**  
**Annual Financial Statements for the year ended 30 September 2020**

**Trustees' Responsibilities and Approval**

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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 this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust 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 basis of accounting as set out in Note 1 to the financial statements.

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

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, they 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, 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. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 30 September 2021 and, in light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of trustees on 04 November 2020 and were signed on their behalf by:

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**K P C Hollis (Chairman)**

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**J K A Botha (Hon-Treasurer)**

# **The Friends of Steenbok Nature Reserve Trust**

## **Annual Financial Statements for the year ended 30 September 2020**

### **Trustees' Report**

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The trustees submitted their report on the annual financial statements of The Friends of Steenbok Nature Reserve Trust for the year ended 30 September 2020.

#### **1. Nature of business**

As a primary objective and to the extent that it is lawful for the trust to do so, to engage in the conservation, rehabilitation or protection of the natural environment in respect of the northern shores of Leisure Island, Knysna, including the flora, fauna and the biosphere in relation thereto and the promotion of, and education and training programs relating to environmental awareness, greening, clean up or sustainable development projects in relation thereto, all for the benefit of all Knysna's residents and visitors and to ensure that the natural heritage of the area is nurtured and protected for the of current and future generations.

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

#### **2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with Entity specific basis of accounting. 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 trust are set out in these annual financial statements.

#### **3. Trustees**

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

##### **Trustees**

K P C Hollis - Chairman  
C M Breen  
J K A Botha  
K Evans  
P Surgey  
David Stromberg  
Diana Stromberg

#### **4. Events after the reporting period**

In March 2020 the WHO declared COVID-19 an international pandemic and subsequently a national state of disaster was declared in South Africa. The effect of the pandemic on the national and world economies is uncertain at this stage. The impact that this will have on the entity cannot yet be determined.

**The Friends of Steenbok Nature Reserve Trust**  
**Annual Financial Statements for the year ended 30 September 2020**

**Balance Sheet as at 30 September 2020**

	Note(s)	2020 R	2019 R
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	244,876	260,978
<b>Total Assets</b>		<b>244,876</b>	<b>260,978</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Contingency reserve		51,244	35,480
Accumulated surplus		134,786	134,785
		<b>186,030</b>	<b>170,265</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	58,846	90,713
<b>Total Equity and Liabilities</b>		<b>244,876</b>	<b>260,978</b>

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**Statement of Comprehensive Income**

	Note(s)	2020 R	2019 R
Other income		196,828	218,851
Operating expenses		(192,074)	(230,567)
<b>Operating surplus (deficit)</b>		<b>4,754</b>	<b>(11,716)</b>
Investment revenue	5	11,011	13,489
<b>Surplus for the year</b>		<b>15,765</b>	<b>1,773</b>

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**Statement of Changes in Equity**

	Contingency reserve R	Accumulated surplus R	Total equity R
<b>Balance at 01 October 2018</b>	<b>33,707</b>	<b>134,785</b>	<b>168,492</b>
Surplus for the year	-	1,773	1,773
Transfer from contingency reserve	1,773	(1,773)	-
<b>Balance at 01 October 2019</b>	<b>35,480</b>	<b>134,785</b>	<b>170,265</b>
Surplus for the year	-	15,765	15,765
Transfer to contingency reserve	15,764	(15,764)	-
<b>Balance at 30 September 2020</b>	<b>51,244</b>	<b>134,786</b>	<b>186,030</b>
Note	3		

**The Friends of Steenbok Nature Reserve Trust**  
**Annual Financial Statements for the year ended 30 September 2020**

**Cash Flow Statement**

	Note(s)	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	7	<u>(27,113)</u>	<u>66,289</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>11,011</u>	<u>13,489</u>
<b>Total cash movement for the year</b>		<b>(16,102)</b>	<b>79,778</b>
Cash at the beginning of the year		<u>260,978</u>	<u>181,200</u>
<b>Total cash at end of the year</b>	2	<b><u>244,876</u></b>	<b><u>260,978</u></b>

## **Accounting Policies**

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### **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 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 deficit) 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 surplus or deficit.

#### **1.2 Tax**

##### **Current tax assets and liabilities**

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act.

Receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act, donations are exempt from income tax in terms of section 56(1)(h) of the Act; bequests or accruals from Estates are exempt from income tax in terms of section 4(h) of the Estate Duty Act, 45 of 1995, and in terms of section 4(1)(f) of Stamp Duties Act, 1968, any instrument which is executed by or on behalf of the public benefit organisation is exempt from stamp duty.

#### **1.3 Revenue**

Revenue is measured at the fair value of the consideration received or receivable for the amounts receivable for goods and other services provided in the normal course of business, net of value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

#### **1.4 Expenses**

Expenses incurred, albeit of a capital nature, are charged against the income.

**The Friends of Steenbok Nature Reserve Trust**  
**Annual Financial Statements for the year ended 30 September 2020**

**Notes to the Annual Financial Statements**

	2020 R	2019 R
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	2,230	3,593
Short-term deposits	242,646	257,385
	<b>244,876</b>	<b>260,978</b>
<b>3. Contingency Reserve</b>		
This reserve was established to provide management with a fund to meet urgent non-budgeted expenses. An amount of 20% of donations, membership fees and plant sales is transferred annually from the accumulated surplus to the contingency reserve, limited to the amount of surplus in that year. Where there is a deficit an amount equal to any deficit incurred is withdrawn from the contingency reserve.		
Opening balance	35,480	33,706
Transfers during the year	15,764	1,774
	<b>51,244</b>	<b>35,480</b>
<b>4. Trade and other payables</b>		
Amounts received in advance	46,540	36,926
Other payables	3,451	45,675
Audit fee accrual	8,855	8,112
	<b>58,846</b>	<b>90,713</b>
<b>5. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	11,011	13,489
<b>6. Taxation</b>		
<b>Major components of the tax expense</b>		
No provision has been made for 2020 income tax as the trust has no taxable income.		
<b>7. Cash (used in) generated from operations</b>		
Surplus for the year	15,765	1,773
<b>Adjustments for:</b>		
Interest received	(11,011)	(13,489)
<b>Changes in working capital:</b>		
Trade and other receivables	-	8,420
Trade and other payables	(31,867)	69,585
	<b>(27,113)</b>	<b>66,289</b>

**The Friends of Steenbok Nature Reserve Trust**  
Annual Financial Statements for the year ended 30 September 2020

**Notes to the Annual Financial Statements**

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2020	2019
R	R

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**8. Events after the reporting period**

In March 2020 the WHO declared COVID-19 an international pandemic and subsequently a national state of disaster was declared in South Africa. The effect of the pandemic on the national and world economies is uncertain at this stage. The impact that this will have on the entity cannot yet be determined.

**The Friends of Steenbok Nature Reserve Trust**  
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**Detailed Income Statement**

	Note(s)	2020 R	2019 R
<b>Other income</b>			
Membership donations		84,826	71,980
LIRA grants		52,500	50,000
Knysna municipality grants		44,324	42,213
Interest received	5	11,011	13,489
Leisure Isle festival income		5,000	7,500
Look Deep Into Nature		4,880	24,598
Stickers		3,798	-
Donations		1,200	19,360
Promotions		300	3,200
		<b>207,839</b>	<b>232,340</b>
<b>Operating expenses</b>			
<b>Administration and other</b>			
AGM expenses		2,178	1,516
Accounting fees		949	863
Audit fees		8,793	8,112
Bank charges		2,836	4,020
General expenses		1,269	1,356
Printing and stationary		1,993	3,091
<b>Maintenance expenses</b>			
Alien eradication		2,748	58,795
Compost and fertiliser		1,267	2,811
Garden maintenance		55,883	54,973
Irrigation		20,725	10,350
Litter collection and disposal		23,118	11,574
Plants		2,705	8,494
Posters and promotional materials		1,034	5,842
Repairs and maintenance		15,779	9,077
Signage		2,888	12,178
Theft and losses		29,550	-
Tools and equipment		339	2,075
Vehicle allowance		7,200	16,800
Wages		8,220	13,050
Website		2,600	5,590
		<b>192,074</b>	<b>230,567</b>
<b>Surplus for the year</b>		<b>15,765</b>	<b>1,773</b>