

**GOURITZ CLUSTER BIOSPHERE
RESERVE NPC**
(Registration No. 2011/008876/08)

ANNUAL FINANCIAL STATEMENTS
31 March 2019

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

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ANNUAL FINANCIAL STATEMENTS

31 MARCH 2019

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

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Preparation of financial statements

These financial statements were prepared by:

MM Pretorius CA (SA)

Approval

The annual financial statements set out on pages 1 to 17 are the responsibility of the directors, have been approved for publication by the Board of Directors and are signed on their behalf by:

WF Botha

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOURITZ CLUSTER BIOSPHERE RESERVE NPC

Report on the financial statements

We have audited the financial statements of Gouritz Cluster Biosphere Reserve NPC set out on pages 7 to 13, which comprise the statement of financial position as at 31 March 2019, the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the 12 months then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation 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 of South Africa, 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.

Compilation of the financial statements

These financial statements were compiled by an independent accounting professional whose compilation report is presented on page 4.

Auditor's 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gouritz Cluster Biosphere Reserve NPC at 31 March 2019, and its financial performance and its cash flows for the 12 months then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules set out on pages 14 - 17 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly do not express an opinion on them.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2019, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that we have been the auditor of Gouritz Cluster Biosphere Reserve NPC for 1 years.

MM Pretorius & Kie

Registered Auditor

Date of report:

INDEPENDENT COMPILER'S REPORT TO THE MEMBERS OF GOURITZ CLUSTER BIOSPHERE RESERVE NPC

Report on the financial statements

We have compiled the financial statements of Gouritz Cluster Biosphere Reserve NPC based on information provided by management. They comprise the statement of financial position as at 31 March 2019, the statement of income and retained earnings, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 13.

Management responsibility for the financial statements

The company's management are responsible for these financial statements, including adoption of the applicable reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

Compiler's responsibility

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SMEs.

MM Pretorius

MM Pretorius & Kie

Date of report:

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DIRECTORS' REPORT

FOR THE 12 MONTHS ENDED 31 MARCH 2019

The directors have pleasure in submitting their report together with the annual financial statements for the 12 months ended 31 March 2019.

General review

Gouritz Cluster Biosphere Reserve NPC is a company incorporated in the Republic of South Africa.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the company's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the company annual general meeting for the approval of shareholders. It is possible that amendments may be required prior to shareholder approval being given.

Financial results

The results of the company for the year under review are fully set out in the attached financial statements and require no further comment.

Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DIRECTORS' REPORT

FOR THE 12 MONTHS ENDED 31 MARCH 2019

Directors and secretary

The directors of the company during the accounting period and up to the date of this report were as follows:

Mr WF Botha (Chairperson)

Mr HS Visser

Mr CP Basson

Mr K Coetzee

Mr CJ Nel

Mrs Y Potgieter

Auditors

Your firm will continue in office in accordance with the Companies Act, 2008.

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Notes	2019 R	2018 R
Assets			
Non-current assets			
		2,776,171	290,961
Property, plant and equipment	3	2,758,040	273,280
Strategic Fund Investment		18,031	17,581
Group and related enterprise investments		100	100
Current assets			
		4,441,816	2,683,257
Trade and other receivables		50,057	25,257
Bank, cash and cash equivalents	4	4,391,759	2,658,000
Total assets		<u>7,217,987</u>	<u>2,974,218</u>
Equity and liabilities			
Equity			
		2,905,225	304,254
Retained earnings		2,887,194	286,673
Strategic Fund		18,031	17,581
Current liabilities			
		4,312,762	2,669,964
Trade and other payables	5	4,312,762	2,669,964
Total equity and liabilities		<u>7,217,987</u>	<u>2,974,218</u>

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R	2018 R
Income			
Revenue		7,235,948	1,566,161
Other income		272,096	20,930
Total income		7,508,044	1,587,091
Expenses			
Operating expenses		(4,907,522)	(1,420,809)
<u>Projects</u>			
SCCS Carbon Project		-	-
DEA & DP 4 Project		-	1
DEA & DP 5 Project		-	-
DEA & DP Spatial Plan		-	-
Spekboom Project		-	-
Munisipality Mosselbay Marine/Shark Puppet show		-	-
Garden Route Casino Community Trust Keep Fin Alive		-	-
Garden Route Casino Community Trust Mountain Bike Challenge		-	-
Garden Route Casino Community Trust School Posters		-	-
Garden Route Casino Community Trust Marine/Shark Awareness		-	-
Garden Route Casino Community Trust Spring party 4 Enviroment		-	-
Garden Route Casino Community Trust Druppels		-	-
DOB Ecology Project		(1)	-
DOB Ecology Project 2		-	(1)
BGCMA Rethink bags		-	-
BGCMA Druppels		-	-
Surplus before taxation		2,600,521	166,282
Taxation		-	-
Net Surplus for the year		2,600,521	166,282

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Strategic Fund R	Retained earnings R	Total R
Balance at 31 March 2017		-	120,391	120,391
Net profit for the year			166,282	166,282
Transfer to Strategic Fund		17,500	-	17,500
Interest on Strategic Fund		81	-	81
Balance at 31 March 2018		<u>17,581</u>	<u>286,673</u>	<u>304,254</u>
Net profit for the year			2,600,521	2,600,521
Transfer to Strategic Fund		-	-	-
Interest on Strategic Fund		451	-	451
Balance at 31 March 2019		<u><u>18,031</u></u>	<u><u>2,887,194</u></u>	<u><u>2,905,225</u></u>

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R	2018 R
Net cash retained in operating activities		4,341,284	1,675,113
Cash receipts from GCBR Members		7,211,148	1,573,154
Cash paid to suppliers and employees		(4,008,892)	(1,330,222)
Cash generated from operating activities	6.1	3,202,256	242,932
Cash generated from project activities		1,138,028	1,432,181
Sundry income		1,000	-
Cash flows from investing activities		(2,607,526)	(319,878)
Purchase of property, plant and equipment		(2,607,526)	(319,878)
To increase operating capacity		(2,607,526)	(319,878)
Net increase in cash and cash equivalents		1,733,758	1,355,235
Cash and cash equivalents at beginning of year		2,658,001	1,302,766
Cash and cash equivalents at end of year	6.2	4,391,759	2,658,001

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Gouritz Cluster Biosphere Reserve NPC is a company, incorporated in South Africa. The address of the registered office of the company is premises 4, Dorpsplein, Still Bay.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

Depreciation on other assets is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	Useful life / Rate
Computer equipment	3
Office equipment	5
Vehicles and Equipment	5

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year. Previous year figures is for 12 months.

3. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation/ impairments	Carrying value	Cost	Accumulated depreciation/ impairments	Carrying value
	R	R	R	R	R	R
Land and buildings	2,119,566	-	2,119,566	-	-	-
Computer equipment	218,391	(33,423)	184,968	32,812	(3,092)	29,720
Office equipment	67,799	(5,650)	62,149	-	-	-
Vehicles and Equipme	317,665	(108,888)	208,777	292,665	(49,105)	243,560
Furniture and fittings	209,582	(27,002)	182,580	-	-	-
	<u>2,933,003</u>	<u>(174,963)</u>	<u>2,758,040</u>	<u>325,477</u>	<u>(52,197)</u>	<u>273,280</u>

The carrying amounts for 2019 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Other	Depreciation/ impairments	Carrying value at end of year
	R	R	R	R	R	R
Land and buildings	-	2,119,566			-	2,119,566
Computer equipment	29,720	185,579			(30,331)	184,968
Office equipment	-	67,799			(5,650)	62,149
Vehicles and Equipme	243,560	25,000	-		(59,783)	208,777
Furniture and fittings	-	209,582			(27,002)	182,580
	<u>273,280</u>	<u>2,607,526</u>	<u>-</u>	<u>-</u>	<u>(122,766)</u>	<u>2,758,040</u>

Land and buildings are described as:

Stand 4260 situate in the administrative district of Hessequa, Western Cape, in extent 809 square metres.

Portion 5 of Farm 305 situate in the administrative district of Kannaland Municipality, Western Cape, in extent 577,9998 hectare.

4. Bank, cash and cash equivalents

2019
R

2018
R

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Bank and cash balances at year end comprise:

Petty cash	-	2,878
Current account	194,279	46,295
Funds on call	4,197,480	2,608,827
	<u>4,391,759</u>	<u>2,658,000</u>

5. Trade and other payables

Trade creditors	566,867	62,098
Unused Grants carried forward	3,745,895	2,607,866
	<u>4,312,762</u>	<u>2,669,964</u>

6. Notes to the cash flow statement

6.1 Reconciliation of net profit before taxation to cashflows from operations

Net profit before taxation	2,600,521	166,282
Adjustments for :		
Depreciation	122,766	52,198
Sundry income	(1,000)	-
Operating profit before working capital changes	<u>2,722,287</u>	<u>218,480</u>
Working capital changes		
Decrease in trade receivables	(24,800)	6,993
Increase in trade and other payables	504,769	17,459
Cash generated from operations	<u>3,202,256</u>	<u>242,932</u>

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Bank, cash and cash equivalents	4,391,759	2,658,000
	<u>4,391,759</u>	<u>2,658,000</u>

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DETAILED INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2019

	2019 R	2018 R
Revenue	7,235,948	1,566,161
Golf Shirt Sales	700	450
Sales: Wonderbags	350	1,100
Services Rendered	-	27,000
Services - Admin. Fee Projects	1,040,280	-
Donations - Cash	5,000	-
Transfers from Closed Projects	24,796	-
Donations	6,164,822	1,537,611
Gross profit	7,235,948	1,566,161
Other income	272,096	20,930
Interest received	271,096	20,930
Sundry Income	1,000	-
Total Income	7,508,044	1,587,091
Operating expenses	(4,907,522)	(1,420,809)
Transfers to Projects: GCBR Contribution	-	2,250
Operating expenditure	4,907,522	1,418,559
SCCS Carbon Project income	67,236	102,644
Balance carried forward previous year	67,236	102,644
SCCS Carbon Project expenses	(67,236)	(102,644)
Operating expenditure	37,870	35,408
Balance carried forward next period	29,366	67,236
DEA & DP Income 4	8,083	200,000
Grant received	-	200,000
Carried forward previous year	8,083	-
DEA & DP Expenses 4	(8,083)	(200,001)
Operating expenditure	8,083	191,918
Balance carried forward next period	-	8,083
DEA & DP Income 5	203,964	-
DEADP GRANT 2018/2019	200,000	-
D5: Interest Earned	3,964	-

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DETAILED INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2019

DEA & DP Expense 5	(203,964)	-
Operating expenditure	203,964	-
DEA & DP Spatial Plan Income	166,774	-
DEADP Spatial Plan - GRANT	165,000	-
DEADP Spatial Plan - INTEREST Earned	1,774	-
DEA & DP Spatial Plan Expenses	(166,774)	-
Operating expenditure	80,000	-
Balance carried forward to next period	86,774	-
Spekboom project income	209,699	409,688
Grant received	-	160,000
Balance carried forward previous year	209,699	249,688
Spekboom project expenses	(209,700)	(409,688)
Operating expenditure	177,112	199,989
Repayment of unspent funds	32,588	-
Balance carried forward next period	-	209,699
Munisipality Mosselbay Marine/Shark Puppet show income	-	30,000
Grant received	-	30,000
Munisipality Mosselbay Marine/Shark Puppet show expenses	-	(30,000)
Operating expenditure	-	30,000
GRCCT Keep Fin Alive Income	-	5,886
Carried forward previous year	-	5,886
GRCCT Keep Fin Alive Expenses	-	(5,886)
Operating expenditure	-	5,886

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DETAILED INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2019

GRCCT Mountain Bike Income	130,000	40,000
Grant received	130,000	-
Carried forward previous year	-	40,000
GRCCT Mountain Bike Expenses	(130,000)	(40,000)
Operating expenditure	80,000	40,000
Balance carried forward next period	50,000	-
GRCCT School Posters Income	4,019	35,000
Carried forward previous year	4,019	35,000
GRCCT School Posters Expenses	(4,019)	(35,000)
Operating expenditure	-	30,981
Balance carried forward next period	4,019	4,019
GRCCT Marine/Shark Income	-	15,200
Grant received	-	15,200
GRCCT Marine/Shark Expenses	-	(15,200)
Operating expenditure	-	15,200
GRCCT Spring Party 4 Env Grant	-	100,000
Grant received	-	100,000
GRCCT Spring Party 4 Env Exp	-	(100,000)
Operating expenditure	-	100,000
GRCCT Druppels Income	60,000	-
GRCCT: Druppels GRANT Received	60,000	-
GRCCT Druppels Expenses	(60,000)	-
GRCCT: Druppels Poppekas EXPENSES	60,000	-

GOURITZ CLUSTER BIOSPHERE RESERVE NPC

DETAILED INCOME STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2019

DOB Ecology Income	29,620	3,571,114
Grant received	79,738	2,828,648
Carried forward previous year	(50,118)	742,466
DOB Ecology Expenses	(29,619)	(3,571,114)
Operating expenditure	4,823	3,621,232
Transfer from closed project	24,796	-
Balance carried forward next period	-	(50,118)
DOB 2 Income	20,955,623	3,082,336
Grant received	18,561,676	3,082,336
Landowners Contribution	25,000	-
Carried forward previous year	2,368,947	-
DOB 2 Expenses	(20,955,624)	(3,082,335)
Operating expenditure	17,459,388	713,388
Balance carried forward to next period	3,496,236	2,368,947
BGCMA ReThink Bags Income	50,000	-
BGCMA - ReThink Bags INCOME	50,000	-
BGCMA ReThink Bags Expenses	(50,000)	-
BGCMA - ReThink Bags EXPENSES	20,500	-
Balance carried forward to next year	29,500	-
BGCMA DrupelsPuppetshow Income	50,000	-
BGCMA - Druppels Puppets INCOME	50,000	-
BGCMA DrupelsPuppetsh Expenses	(50,000)	-
Balance carried forward to next year	50,000	-
Surplus before taxation	2,600,521	166,282
Net Surplus for the period	2,600,521	166,282