

St Francis Kromme Trust
(Registration number PBO - 930038246)
Trading as Kromme Enviro-Trust
Financial statements
for the year ended 30 September 2020

Draft

These financial statements were prepared by:
J Barnard

Chartered Accountants (S.A.)

These financial statements have been audited in compliance with the applicable requirements of the Non-profit Organisations
Act 71 of 1997.

Issued 31 January 2024

St Francis Kromme Trust

(Registration number: PBO - 930038246)

Trading as Kromme Enviro-Trust

Financial Statements for the year ended 30 September 2020

General Information

Country of incorporation and domicile	South Africa
Committee	S Cunneen A Gotte T Hedding S Smith M Langlands A Morris K McGregor S Galer A Meyer P de Wet J Hay D Staples S Plantinga M Cromarty
Business address	Granny's Pool Heritage Centre 6312 Harbour Rd St Francis Bay 6312
Postal address	Granny's Pool Heritage Centre 6312 Harbour Rd St Francis Bay 6312
Bankers	First National Bank
Auditors	Moore Registered Auditors
Organisation registration number	PBO - 930038246
Tax reference number	9057107220

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Executive members' Responsibilities and Approval

The executive members are required 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 organisation 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 described in Note 1.

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

The executive members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the executive members to meet these responsibilities, the executive members 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The external auditors are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on pages 6 to 12, which have been prepared on the going concern basis, were approved by the executive members on 31 January 2024 and were signed on their behalf by:

S Cunneen

A Gotte

Humansdorp

31 January 2024

Independent Auditor's Report

To the members of St Francis Kromme Trust

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of St Francis Kromme Trust set out on pages 6 to 11, which comprise the statement of financial position as at 30 September 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the financial statements of St Francis Kromme Trust. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient appropriate audit evidence regarding the valuation and existence of inventory, the completeness of other income, the existence of petty cash and the occurrence and accuracy of general expenses.

Sufficient appropriate audit evidence could not be obtained due to the client not being able to provide us with the necessary supporting documents.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect to recorded or unrecorded transactions concerning inventory, other income, petty cash and general expenses and the elements making up the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of the Executive members for the Financial Statements

The members are responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1 to the financial statements and the requirements of the Non-profit Organisations Act 71 of 1997, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the organisation'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 members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the organisation's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

**Moore
L Visagie
Director
Registered Auditors**

**31 January 2024
Humansdorp**

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St Francis Kromme Trust

(Registration number: PBO - 930038246)

Trading as Kromme Enviro-Trust

Financial Statements for the year ended 30 September 2020

Statement of Financial Position as at 30 September 2020

	Notes	2020 R	2019 R
Assets			
Current Assets			
Inventories	2	22,000	31,500
Trade and other receivables	3	7,600	3,550
Cash and cash equivalents	4	159,803	307,707
		189,403	342,757
Total Assets		189,403	342,757
Equity and Liabilities			
Equity			
Reserves		145,571	145,571
Accumulated surplus		32,893	160,575
		178,464	306,146
Liabilities			
Current Liabilities			
Trade and other payables	5	10,939	36,611
Total Equity and Liabilities		189,403	342,757

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Financial Statements for the year ended 30 September 2020

Statement of Comprehensive Income

	Notes	2020 R	2019 R
Revenue		169,595	230,632
Operating expenses		(303,347)	(255,425)
Operating deficit		(133,752)	(24,793)
Investment revenue	6	6,070	15,967
Deficit for the year		(127,682)	(8,826)
Other comprehensive income		-	-
Total comprehensive deficit for the year		(127,682)	(8,826)

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Statement of Changes in Equity

	Monument around us fund R	Beach fund R	Boadwalk reserve R	Total reserves R	Accumulated surplus R	Total equity R
Balance at 01 October 2018	145,571	20,274	95,000	260,845	74,401	335,246
Deficit for the year	-	-	-	-	(8,826)	(8,826)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive deficit for the year	-	-	-	-	(8,826)	(8,826)
Transfer between reserves	-	(20,274)	(95,000)	(115,274)	95,000	(20,274)
Total changes	-	(20,274)	(95,000)	(115,274)	95,000	(20,274)
Balance at 01 October 2019	145,571	-	-	145,571	160,575	306,146
Deficit for the year	-	-	-	-	(127,682)	(127,682)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive deficit for the year	-	-	-	-	(127,682)	(127,682)
Balance at 30 September 2020	145,571	-	-	145,571	32,893	178,464

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Financial Statements for the year ended 30 September 2020

Statement of Cash Flows

	Notes	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from customers and operating activities		171,945	227,082
Cash paid to suppliers, employees and towards operating activities		(325,919)	(270,588)
Cash used in operations	7	(153,974)	(43,506)
Interest income	6	6,070	15,967
Net cash from operating activities		(147,904)	(27,539)
Total cash movement for the year		(147,904)	(27,539)
Cash at the beginning of the year		307,707	335,246
Total cash at end of the year	4	159,803	307,707

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Financial Statements for the year ended 30 September 2020

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 accounting policies as set out below. The 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 cash and cash equivalents, loans, trade receivables and trade payables. They 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

Tax expenses

Tax association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

1.3 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.4 Revenue

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

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

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Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R	2019 R
2. Inventories		
Books	22,000	31,500
3. Trade and other receivables		
Trade receivables	7,600	3,550
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	14,166	4,475
Bank balances	609	44,274
Short-term deposits	145,028	258,958
	159,803	307,707
5. Trade and other payables		
Trade payables	4,979	30,651
Moore	5,960	5,960
	10,939	36,611
6. Investment revenue		
Interest revenue		
Bank	6,070	15,967
7. Cash used in operations		
Deficit before taxation	(127,682)	(8,826)
Adjustments for:		
Interest received	(6,070)	(15,967)
Reserves realised	-	(20,274)
Changes in working capital:		
Inventories	9,500	(31,500)
Trade and other receivables	(4,050)	(3,550)
Trade and other payables	(25,672)	36,612
	(153,974)	(43,505)

8. COVID 19 pandemic

The COVID 19 pandemic had a significant effect on the income received for the 2020 financial year compared to the 2019 financial year. Income from donations decreased due to the inability of many benefactors to contribute when they were also under financial strain.

Expenses increased as the ongoing projects were funded with reserves from previous years.

St Francis Kromme Trust

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Financial Statements for the year ended 30 September 2020

Detailed Income Statement

	Notes	2020 R	2019 R
Revenue			
2 Harbours walk		16,050	-
Book sales		9,500	4,590
Commission received from Bruce's Coffee shop		62,911	34,334
Donations received		7,598	76,600
Fundraising		56,256	96,023
Membership fees		17,280	17,985
Talks and coastal treasure		-	1,100
		169,595	230,632
Operating expenses			
Accounting fees		9,604	10,000
Auditors remuneration		9,350	12,562
Bank charges		3,667	2,863
Beverages		-	2,842
Coastal clean up expenses		3,507	-
Cost of books sold		9,500	-
Donations		-	700
First aid		625	-
Insurance		8,590	10,308
Marketing		9,070	5,969
Par 3 expenses		2,708	149
Printing and stationery		6,917	9,291
Projects: Community garden		1,950	-
Projects: 2 Harbours walk		26,467	-
Projects: Granny's pool area upgrade		7,500	-
Projects: Heritage centre		160,761	152,925
Projects: SFB College eco		5,950	-
Projects: Talhado school		242	-
Projects: Walkway heritage to main beach		1,532	33,534
Rental		27,681	-
Repairs and maintenance		7,726	10,803
Uniforms		-	3,479
		303,347	255,425
Operating deficit		(133,752)	(24,793)
Investment income	6	6,070	15,967
Deficit for the year		(127,682)	(8,826)