

Astronomical Society of Southern Africa

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022

Carlisle Tax & Financial Services
Issued : August 11, 2022



Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022

General information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Facilitate astronomical observing by members and astronomical outreach by the society
Responsible Council members at the date of this Report	C.A Stewart Adv. A J Nel
Postal Address	P. O. Box 9 Observatory 7935
Bankers	Standard Bank
Preparers	Carlisle Tax & Financial Services
Financial Statements Prepared By	Henk Nieuwenhuis - CA (SA)
Level of Assurance	These Annual Financial Statements have not been audited or independently reviewed in compliance with the applicable requirements of the Constitution
Published	August 11, 2022
Legal Form	Non-Profit Voluntary Association

Astronomical Society of Southern Africa

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Statement of Members Responsibility and Approval

The council is required in terms of the Companies Act of South Africa 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 society 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 International Financial Reporting Standard applicable to Small and Medium-Sized Entities.

The annual financial statements are prepared in accordance with International Financial Reporting Standard applicable to Small and Medium-Sized Entities and are based upon appropriate policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022


Statement of Members Responsibility and Approval

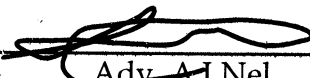
The council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The council have reviewed the society's cash flow forecast for the year to 30 June 2023 and, in light of this review and the current financial position, they are satisfied that the society has or will have access to adequate resources to continue in operational existence for the foreseeable future.

These annual financial statements have not been audited or independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.

The annual financial statements set out on pages 8 to 17, which have been prepared on the going concern basis, were approved by the council on 11 August 2022 and were signed on its behalf by:



C.A. Stewart
President

Adv. A.J. Nel
Treasurer

21 Kroton Street South
Roodepoort
1709

PO Box 6758
Weltevreden Park
1715

Tel: 0861 111 031
Tel: 011 781 2588
Fax: 011 886 7639
Email: henk.nieuwenhuis@ctfsa.co.za
SAICA Reg: 04901662



Independent Compiler's Report

To the Council of the Astronomical Society of Southern Africa

We have compiled the financial statements of the Astronomical Society of Southern Africa set out on pages 8 to 18, based on the information you have provided. These financial statements comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

H.P. Nieuwenhuis CA (SA)
SAICA no: 04901662
21 Kroton Street South
Weltevreden Park
Roodepoort
1709
12 August 2022

Giving entrepreneurs the freedom to prosper

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022 **Councils' Report**

The council presents their annual report on the annual financial statements of the society for the year ended 30 June 2022.

Main business and operations

The society is an amateur astronomy association that was created by the merger of two societies in 1922 and changed its name to the current name in 1956.

No matter which is material to the financial affairs of the society and requires disclosure in the financial statements has occurred between 30 June 2022 and the date of the approval of the annual financial statements.

The operating results and state of affairs of the society are fully set out in the attached annual financial statements and do not, in our opinion require any other comment, save for those mentioned below.

Financial results and dividends

The financial results show that the society has made a deficit during the current financial year. The member expects that the society will perform adequately in the new financial year. The society is expected to have sufficient cash resources to meet its obligations.

The council have not declared dividends and none are recommended.

Going concern

The society presently operates as a going concern and is expected to continue to do so for the foreseeable future, consequently annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022 Councils' Report

Reserves

The society's reserves and any changes thereto are reflected in the statement of changes in equity in the accompanying financial statements.

Council Members

The council members of the society during the year and to the date of this report are as follows:

Name	Designation
Chris Stewart	President
Case Rijdsdijk	Vice President
Adv. A J Nel	Honorary Treasurer
Lerika Cross	Honorary Secretary
E Nijboer	Membership Secretary
Dr. Ian Glass	Council member
Clyde Foster	Council member
Dr. Pieter Kotze	Council member
Thinus van der Merwe	Bloemfontein Centre Chairperson
Marius Reitz	Cape Centre Chairperson
Piet Strauss	Durban Centre Chairperson
Dr. Pierre de Villiers	Hermanus Centre Chairperson
Carmen Ives	Johannesburg Centre Chairperson
Bosman Olivier	Pretoria Centre Chairperson

Astronomical Society of Southern Africa

Statement of Financial Position at 30 June 2022

	Note	2022 R	2021 R
Assets			
Non-Current Assets		934 078	907 268
Other financial assets	3	934 078	907 268
Current Assets		79 142	178 332
Cash and cash equivalents	4	79 142	178 332
Total Assets		<u>1 013 220</u>	<u>1 085 600</u>
Equity and Liabilities			
Capital and reserves		1 013 220	1 085 600
Reserves	5	1 085 600	1 005 184
Retained (deficit) / surplus		(72 380)	80 416
Total Equity and Liabilities		<u>1 013 220</u>	<u>1 085 600</u>

Astronomical Society of Southern Africa

Statement of Comprehensive Income for the year ended 30 June 2022

	Note	2022 R	2021 R
Comprehensive income	6	81 677	73 754
Cost of revenue earned		(103 643)	(64 632)
Gross profit		(21 966)	9 122
Other income	7	10 454	0
Other operating expenses		(91 989)	(34 174)
Deficit from operations		(103 501)	(25 052)
Investment income	8	17 438	2 378
Deficit before taxation		(86 063)	(22 674)
Taxation	9	0	0
Deficit for the year		(86 063)	(22 674)
Other comprehensive income			
Fair value adjustments		13 683	103 090
Total comprehensive (deficit) / surplus for the year		(72 380)	80 416

Astronomical Society of Southern Africa

Statement of Changes in Equity for the year ended 30 June 2022

	Reserves R	Retained Deficit R	Total R
Balance at 30 June 2020	1 093 024	(87 840)	1 005 184
Total comprehensive surplus for the year	0	80 416	80 416
Balance at 01 July 2021	<u>1 093 024</u>	<u>(7 424)</u>	<u>1 085 600</u>
Total comprehensive deficit for the year	0	(72 380)	(72 380)
Balance at 30 June 2022	<u><u>1 093 024</u></u>	<u><u>(79 804)</u></u>	<u><u>1 013 220</u></u>

Astronomical Society of Southern Africa

Statement of Cash Flows for the year ended 30 June 2022

	Note	2022 R	2021 R
Cash Flows from Operating Activities			
Operating deficit before taxation		(103 501)	(25 052)
Adjustments for :			
Fair value adjustment		13 683	103 090
Cash (utilised) / generated by operating activities		(89 818)	78 038
Cash flows from investing activities			
Investment income	8	17 438	2 378
Cash generated by investing activities		17 438	2 378
Cash flows from financing activities			
Decrease in other financial liabilities		(26 810)	(103 090)
Cash utilised by financing activities		(26 810)	(103 090)
Net decrease in cash and cash equivalents		(99 190)	(22 674)
Cash and cash equivalents at beginning of period	4	178 332	201 006
Cash and cash equivalents at end of period	4	79 142	178 332

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Basis of preparation

The principal accounting policies used in preparing these financial statements are set out below and are consistent with those used in prior years, unless otherwise disclosed. The financial statements are prepared on the historical cost and fair value bases as disclosed in these policies, using South African Rand, which is the functional currency of the society.

These financial statements comply with International Financial Reporting Standards applicable to Small and Medium-Sized entities.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022 **Accounting Policies**

2. Summary of significant accounting policies

2.1 *Cash and Cash Equivalents*

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.2 *Financial Instruments*

Initial Recognition

The society classifies financial instruments, or their component parts, on initial recognition as a financial assets, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets are recognised when the society becomes a party to the contractual provisions of the respective instrument. Such assets consist of cash, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

2.2 Financial Instruments - Continued

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial instruments at fair value through profit or loss are financial assets held for trading and/or designated by the entity upon initial recognition as fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (trade and other receivables), except for maturities of greater than 12 months after the balance sheet date which are classified as non-current assets.

The society assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

2.3 Capital and reserves

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Astronomical Society of Southern Africa

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

2.4 Revenue recognition

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the society has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the society; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting. The outcome of a transaction can be estimated reliably when all the following conditions are

- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the society;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
3. OTHER FINANCIAL ASSETS		
Sanlam Unit Trust Investment	934 078	907 268
	<u>934 078</u>	<u>907 268</u>
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Current account	79 142	136 823
Short term deposits	0	41 509
	<u>79 142</u>	<u>178 332</u>
5. RESERVES		
Reserves consist of the following:		
General Fund	562 724	562 724
PEPO Ringfenced	323 112	323 112
Retained earnings	199 764	119 348
	<u>1 085 600</u>	<u>1 005 184</u>
6. COMPREHENSIVE INCOME		
Income from trading activities	81 677	73 754
	<u>81 677</u>	<u>73 754</u>

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
7. OTHER INCOME		
REIT - Salam Unit Trusts	2 410	0
Dividends received	8 044	0
	<u>10 454</u>	<u>0</u>
8. INVESTMENT INCOME		
Interest received from financial institutions	17 438	1 222
	<u>17 438</u>	<u>1 222</u>
9. TAXATION		
S.A. Normal Taxation		
- Current	0	0
	<u>0</u>	<u>0</u>

No provision has been made for taxation. The Society is in the process of registering and applying for exemption from Income Tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act.

10. EVENTS AFTER THE REPORTING PERIOD

The members are not aware of any matter of circumstance arising since the end of the financial year and the date of this report

Astronomical Society of Southern Africa

Details of other operating expenses for the year ended 30 June 2022

	2022 R	2021 R
Other operating expenses	91 989	34 174
Accounting fees	15 419	8 173
Administrative fees	13 948	1 156
ASSA award	4 135	16 363
Bank charges	155	158
Bursary expenses	50 000	0
Honoraria - Honorary members	1 800	3 000
Printing, postage & stationery	3 685	2 561
Refreshments - Special Events	0	660
Software Subscriptions	2 847	899
Staff welfare	0	130
Subscriptions - Honorary member claims	0	1 074

This statement does not form part of the financial statements.

Astronomical Society of Southern Africa

Supplementary information for the year ended 30 June 2021

Detailed Statement of Comprehensive income

	2022 R	2021 R
Comprehensive income	81 677	73 754
Advertising income	2 500	0
Membership	12 810	13 150
Royalties	33 092	18 268
SkyGuides	33 275	42 336
Other income	10 454	0
Dividends received	8 044	0
REIT and Other Income - Sanlam Unit Trusts	2 410	0
Investment income	17 438	1 222
Interest Received - Current account	817	1 222
Interest received - Sanlam	16 621	0
Other comprehensive income	13 683	103 090
Fair value adjustments	13 683	103 090
Cost of revenue earned	(103 643)	(64 632)
Sky Guide Editor Costs	(103 643)	(64 632)
Other operating expenses	(91 989)	(33 018)
Total comprehensive deficit for the year	(72 380)	80 416