

**FORESTRY SOUTH AFRICA**  
**(Registration number 017-638NPO)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**FORESTRY SOUTH AFRICA**  
**(Registration number: 017-638NPO)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**GENERAL INFORMATION**

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	To promote the growth, development and well being of the South African commercial forestry industry, both locally and internationally.
<b>DIRECTORS</b>	Mr A. Mason Mr T. Vilane Mr S. Brown Ms I. Langeni Mr T. Monaheng Mr F. Brauckmann Mr P. Lunga Mr M. Armour Mr M. Mason Mr H. Hinze Mr G Stoltz Mr D. Roothman Mr G. Freese Mr D Knoesen Mr F Netsianda Mr B Msweli Mr M Gcwensa
<b>REGISTERED OFFICE</b>	The Link 173 Oxford Rd Rosebank Johannesburg 2196
<b>POSTAL ADDRESS</b>	Postnet Suite #100 Private Bag x11 Birnham Park
<b>BANKERS</b>	Standard Bank of South Africa Limited
<b>AUDITORS</b>	Rabie Incorporated Chartered Accountants (S.A.) Registered Auditors
<b>COMPANY REGISTRATION NUMBER</b>	017-638NPO
<b>LEVEL OF ASSURANCE</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>PREPARER</b>	The financial statements were independently compiled by: T. Lourens Professional Accountant
<b>ISSUED</b>	28 March 2024

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**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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The executive committee 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 external auditors are engaged to express an independent opinion on the financial statements.

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.

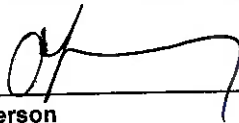
The executive committee acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the executive committee to meet these responsibilities, the executive committee 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.

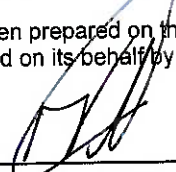
The executive committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial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

The executive committee have reviewed the company's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or had 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 company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 - 6.

The financial statements set out on pages 7 - 17, which have been prepared on the going concern basis, were approved by the board of executive committee on 28 March 2024 and were signed on its behalf by:

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Executive committee

Alberton  
28 March 2024

**FORESTRY SOUTH AFRICA**  
**(Registration number: 017-638NPO)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' REPORT**

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The directors have pleasure in submitting their report on the financial statements of Forestry South Africa for the year ended 31 December 2023.

**1. NATURE OF BUSINESS**

Forestry South Africa was incorporated in South Africa with interests in the forestry industry. The company operates in South Africa.

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. AUDITORS**

Rabie Incorporated continued in office as auditors for the company for 2023.

At the AGM, the executive committee will be requested to reappoint Rabie Incorporated as the independent external auditors of the company and to confirm Mr. W. du Plooy C.A. (S.A.) R.A. as the designated lead audit partner for the 2024 financial year.

**4. EXECUTIVE COMMITTEE'S**

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

<b>Names</b>		
Mr A. Mason	Chairperson	
Ms B. Mnguni		Resigned 30 April 2023
Mr T. Vilane		
Mr S. Brown		
Ms I. Langeni		
Mr T. Monaheng		
Mr F. Brauckmann		
Mr P. Lunga		
Mr M. Armour		
Mr M. Mason		
Mr H. Hinze		
Mr G Stoltz		
Mr T. Nxele		Resigned 30 April 2023
Mr D. Roothman		
Mr G. Freese		
Mr D Knoesen		
Mr F Netsianda		
Mr B Msweli	Vice-chairperson	Appointed 31 May 2023
Mr M Gcwensa		Appointed 31 May 2023

**5. EXECUTIVE COMMITTEE'S INTERESTS IN CONTRACTS**

During the financial year, no contracts were entered into which Executive committee's or officers of the company had an interest and which significantly affected the business of the company.

**6. 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.

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF FORESTRY SOUTH AFRICA

#### Opinion

We have audited the financial statements of Forestry South Africa (the company) set out on pages 7 - 17, which comprise the statement of financial position as at 31 December 2023, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Forestry South Africa as at 31 December 2023, 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.

#### Basis for Opinion

We conducted the 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 Financial Statements section of our report. We are independent of the company 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 the 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

Without qualifying our opinion we would like to draw your attention to note 13 of the financial statements regarding the SIF project, this project is a government funded project which has not been audited by us as it is audited by the Department of Science and Innovation on a quarterly basis.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Forestry South Africa financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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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## INDEPENDENT AUDITOR'S REPORT

### Responsibilities of the Directors for the Financial Statements

The executive committee is responsible for the preparation and fair presentation of the 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 executive committee 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 executive committee are responsible for assessing the company'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 executive committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

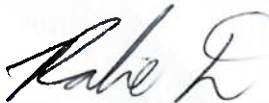
### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive committee 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.



Rabie Incorporated  
Chartered Accountant (S.A.)  
Registered Auditors

28 March 2024

401 J.S. Centre  
1 Fore street  
New Redruth  
Alberton  
1449

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W. du Plooy  
C.A. (S.A.) R.A.

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POSTAL: PO Box 20 - Alberton, 1450

RABIE INCORPORATED DIRECTORS  
A van Zyl - BCOM (Hons) (ACC) • CTA • CA (SA) • RA  
W Du Plooy - BCOM (Hons) (ACC) • CTA • CA (SA) • RA

**FORESTRY SOUTH AFRICA**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	119 223	123 886
<b>Current Assets</b>			
Trade and other receivables	3	2 327 795	4 784 887
Cash and cash equivalents	4	7 058 332	5 798 397
The Sector Innovation Fund (SIF) funds in bank		7 384 996	2 005
		<b>16 771 123</b>	<b>10 585 289</b>
<b>Total Assets</b>		<b>16 890 346</b>	<b>10 709 175</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Retained income		2 869 962	5 791 278
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Provisions	5	2 824 003	2 500 003
<b>Current Liabilities</b>			
Trade and other payables	7	3 811 385	2 415 891
The Sector Innovation Fund (SIF) creditor	6	7 384 996	2 003
		<b>11 196 381</b>	<b>2 417 894</b>
<b>Total Liabilities</b>		<b>14 020 384</b>	<b>4 917 897</b>
<b>Total Equity and Liabilities</b>		<b>16 890 346</b>	<b>10 709 175</b>



**FORESTRY SOUTH AFRICA**  
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**STATEMENT OF COMPREHENSIVE INCOME**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2023</b>	<b>2022</b>
Revenue	8	34 353 630	29 756 909
Other income	9	74 269	95 000
Operating expenses		(37 622 810)	(32 880 595)
<b>Operating loss</b>		<b>(3 194 911)</b>	<b>(3 028 686)</b>
Investment revenue	10	276 255	230 046
Finance costs	11	(2 660)	(30 717)
<b>Loss for the year</b>		<b>(2 921 316)</b>	<b>(2 829 357)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(2 921 316)</b>	<b>(2 829 357)</b>

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**STATEMENT OF CHANGES IN EQUITY**

<b>Figures in Rand</b>	<b>Retained income</b>	<b>Total equity</b>
<b>Balance at 01 January 2022</b>	<b>8 620 635</b>	<b>8 620 635</b>
Loss for the year	(2 829 357)	(2 829 357)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(2 829 357)</b>	<b>(2 829 357)</b>
<b>Balance at 01 January 2023</b>	<b>5 791 278</b>	<b>5 791 278</b>
Loss for the year	(2 921 316)	(2 921 316)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(2 921 316)</b>	<b>(2 921 316)</b>
<b>Balance at 31 December 2023</b>	<b>2 869 962</b>	<b>2 869 962</b>

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**STATEMENT OF CASH FLOWS**

Figures in Rand	Note(s)	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		36 880 722	30 698 644
Cash paid to suppliers and employees		(35 847 887)	(30 895 816)
Cash generated from (used in) operations	12	1 032 835	(197 172)
Interest income		276 255	230 046
Finance costs		(2 660)	(30 717)
<b>Net cash from operating activities</b>		<b>1 306 430</b>	<b>2 157</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(59 642)	(89 847)
Proceeds from sale of property, plant and equipment	2	13 145	-
Purchases of other assets 1		(7 382 991)	-
<b>Net cash from investing activities</b>		<b>(7 429 488)</b>	<b>(89 847)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of other liabilities 1		7 382 993	-
<b>Total cash movement for the year</b>		<b>1 259 935</b>	<b>(87 690)</b>
Cash and cash equivalents at the beginning of the year		5 798 397	5 886 087
<b>Total cash at end of the year</b>	4	<b>7 058 332</b>	<b>5 798 397</b>

**FORESTRY SOUTH AFRICA**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**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, except for biological assets at fair value less point of sale costs, 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**

**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.

**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.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years

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.

**FORESTRY SOUTH AFRICA**  
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**ACCOUNTING POLICIES**

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**1.3 Financial instruments (continued)**

**Financial instruments at amortised cost**

These include 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 profit or loss.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

**1.4 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.

**1.5 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.

**1.6 Borrowing costs**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2023	2022
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**2. PROPERTY, PLANT AND EQUIPMENT**

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	111 981	(90 735)	21 246	111 981	(81 904)	30 077
Office equipment	148 334	(111 701)	36 633	134 953	(105 929)	29 024
IT equipment	237 426	(176 082)	61 344	204 820	(140 035)	64 785
<b>Total</b>	<b>497 741</b>	<b>(378 518)</b>	<b>119 223</b>	<b>451 754</b>	<b>(327 868)</b>	<b>123 886</b>

**Reconciliation of property, plant and equipment - 2023**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	30 077	-	-	(8 831)	21 246
Office equipment	29 024	27 036	(8 876)	(10 551)	36 633
IT equipment	64 785	32 606	-	(36 047)	61 344
	<b>123 886</b>	<b>59 642</b>	<b>(8 876)</b>	<b>(55 429)</b>	<b>119 223</b>

**Reconciliation of property, plant and equipment - 2022**

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	38 907	-	(8 830)	30 077
Office equipment	5 434	30 543	(6 953)	29 024
IT equipment	28 507	59 304	(23 026)	64 785
	<b>72 848</b>	<b>89 847</b>	<b>(38 809)</b>	<b>123 886</b>

**3. TRADE AND OTHER RECEIVABLES**

Deposits	-	56 928
PEFC	-	175 879
Prepayments	165 763	110 774
Staff loans	55 000	125 000
TIPWG project	-	94 971
Trade receivables	2 107 032	3 909 790
VAT	-	311 545
	<b>2 327 795</b>	<b>4 784 887</b>

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Cash on hand	8 819	4 233
Bank balances	7 049 513	5 794 164
	<b>7 058 332</b>	<b>5 798 397</b>



**FORESTRY SOUTH AFRICA**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand 2023 2022

**5. PROVISIONS**

**Reconciliation of provisions - 2023**

	Opening balance	Additions	Utilised during the year	Closing balance
PSP Provision	500 000	-	(500 000)	-
Unforeseen costs provision	2 000 003	1 000 000	(176 000)	2 824 003
	<b>2 500 003</b>	<b>1 000 000</b>	<b>(676 000)</b>	<b>2 824 003</b>

**Reconciliation of provisions - 2022**

	Opening balance	Additions	Closing balance
PSP Provision	500 000	-	500 000
Unforeseen costs provision	1 000 003	1 000 000	2 000 003
	<b>1 500 003</b>	<b>1 000 000</b>	<b>2 500 003</b>

**6. OTHER LIABILITY 1**

Current liability	7 384 996	2 003
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**7. TRADE AND OTHER PAYABLES**

Accrual for audit fees	58 019	58 019
Bicep project	546 578	299 553
Court case	-	703 857
FSC project	-	13 621
Forest sector charter council	9 000	-
Nutrient depletion project	223 283	3
TIPWG project	441 186	-
Research & Protection manager	894 636	-
Trade payables	1 354 715	1 340 838
VAT	283 968	-
	<b>3 811 385</b>	<b>2 415 891</b>

**Research & Protection Manager**

The Department of Science and Innovation donated an amount of R 17 600 000 million for Future Plantations: Sustainable fibre resource for future growth. FSA is allowed to retain an admin fee to the amount of R 1 232 000, This amount is recognised over the life of the asset, as the life of the project is not a certainty the expenses directly attributed to the administration of the project is allocated to the admin fee.

**8. REVENUE**

Contribution by members	34 353 630	29 756 909
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**9. OTHER INCOME**

Profit on sale of assets	4 269	-
Sponsorships	70 000	95 000
	<b>74 269</b>	<b>95 000</b>

**FORESTRY SOUTH AFRICA**  
**(Registration number: 017-638NPO)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2023	2022
<b>10. INVESTMENT REVENUE</b>		
<b>Interest revenue</b>		
Bank	276 255	230 046
<b>11. FINANCE COSTS</b>		
Interest paid	2 660	30 717
<b>12. CASH GENERATED FROM (USED IN) OPERATIONS</b>		
Net loss before taxation	(2 921 316)	(2 829 357)
<b>Adjustments for:</b>		
Depreciation	55 429	38 809
Profit on sale of assets	(4 269)	-
Movement in provisions	324 000	1 000 000
Investment income	(276 255)	(230 046)
Finance costs	2 660	30 717
<b>Changes in working capital:</b>		
Trade and other receivables	2 457 092	846 735
Trade and other payables	1 395 494	945 970
	<b>1 032 835</b>	<b>(197 172)</b>

**13. EMPHASIS OF MATTER**

Without qualifying our opinion we would like to draw your attention to note 13 of the financial statements regarding the SIF project, this project is a government funded project which has not been audited by us as it is audited by the Department of Science and Innovation on a quarterly basis.

This project is funded by the Department of Science and Innovation and is audited by them on a quarterly basis.

**FORESTRY SOUTH AFRICA**  
**(Registration number: 017-638NPO)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**DETAILED INCOME STATEMENT**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>			
Contributions by members		34 353 630	29 756 909
<b>OTHER INCOME</b>			
Sponsorships		70 000	95 000
Gains on disposal of assets		4 269	-
		<b>74 269</b>	<b>95 000</b>
<b>Expenses (Refer to page 17)</b>			
		<b>(37 622 810)</b>	<b>(32 880 595)</b>
<b>Operating loss</b>		<b>(3 194 911)</b>	<b>(3 028 686)</b>
Investment income	10	276 255	230 046
Finance costs	11	(2 660)	(30 717)
		<b>273 595</b>	<b>199 329</b>
<b>Loss for the year</b>		<b>(2 921 316)</b>	<b>(2 829 357)</b>

**FORESTRY SOUTH AFRICA**  
**(Registration number: 017-638NPO)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**DETAILED INCOME STATEMENT**

Figures in Rand	Note(s)	2023	2022
<b>OPERATING EXPENSES</b>			
Administration and management fees		(47 544)	(47 042)
Auditors remuneration		(68 960)	(62 209)
Bad debts		(123 672)	-
Bank charges		(44 632)	(41 289)
Climate surface		(698 750)	(650 000)
Commercial crimes database		(74 500)	(72 000)
Computer expenses		(35 645)	(13 137)
Consortium funded projects		(13 648 890)	(12 703 153)
Consulting and professional fees		(3 810 184)	(2 900 034)
Delivery expenses		-	(553)
Depreciation		(55 429)	(38 809)
Employee costs		(12 043 874)	(10 656 654)
Entertainment		(478 831)	(371 696)
Insurance		(45 354)	(53 516)
Lease rentals on operating lease		(257 651)	(393 912)
Legal advice		(204 713)	(129 638)
Magazines, books and periodicals		(1 075 000)	(1 000 000)
Other expenses		(14 985)	(22 135)
PEFC Certification System		(500 000)	-
Petrol and oil		(384 569)	(348 103)
Printing and stationery		(80 885)	(89 622)
Promotional activities		(321 146)	(372 237)
Repairs and maintenance		(114 320)	(112 882)
Research and development costs		(67 510)	(62 800)
Research projects		(1 062 218)	(779 175)
Service provider costs		(500 782)	(441 050)
Subscriptions		(266 316)	(340 352)
TIPWG operating expense		(902 736)	(638 157)
Telephone and fax		(123 844)	(167 173)
Training		(239 771)	(20 000)
Travel - local		(233 642)	(223 836)
Travel - overseas		(21 759)	-
Utilities		(8 213)	(71 076)
Website and related costs		(66 485)	(58 355)
		<b>(37 622 810)</b>	<b>(32 880 595)</b>