

**Waenhuiskrans / Arniston
Community Development Trust**

Annual Report 2016

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Most of the students studying with the support of the Trust are doing well. Disruptions on some campuses caused delays in examinations, but did not prevent any of the supported students to complete the academic year.

We want to complete Fish House and expect it to make a valuable contribution to community life once we are able to do so.

Study bursaries for students

In the past year, the Trust has assisted 33 students with scholarships and loans. Fields of study in the past year included education, law, engineering and commerce, as well as practical and vocational courses in office administration, hairdressing and computer coding.

Several students have passed with distinction.

Amanda Afrika completed the four-year course in Physiology at Stellenbosch University and received her degree with distinction in 75% of the modules for the course

She is on a shortlist to do postgraduate medical studies, but has been accepted for postgraduate studies in physiology, should she not be selected for medicine.

Roxanne Flynn passed her course in nursing at the Western Cape College of Nursing and the Cape Peninsula University of Technology with distinction. She won several medals and was awarded the prize for the student with the best academic performance over the four years of the course. In the next year she will be doing her community service year at the Bredasdorp Hospital.

The Trust assists new students with a general orientation and finishing course in the use of computers and also support pupils in Grade 12, to help them to prepare for work or further study after school.

Further information about the students and their achievements is available on:

www.arnistonalive.org.za

<https://www.facebook.com/Waenhuiskrans-Arniston-Community-Development-Trust-1658136174446592/>



Amanda Afrika



Roxanne Flynn

General projects

As in previous years, the Trust also provided support for various ad hoc initiatives and associations in the community during the past year. The restoration and expansion of the Fishermen's Union Hall is a significant project that was mediated with funds provided by the Trust and completed by the Fishermen's Union. The historic building was in a critically poor condition, but has now been renovated and expanded with an office and added community space.

Fish House

Fish House has been approved by the Cape Agulhas Municipality for a second and a third time during this year.

Fish House is meant, amongst other things, to be a visitors' centre as well as a heritage centre and archive of the archaeology and ongoing history of a community and a settlement that has iconic value in South Africa. An important function of Fish House will be to promote economic activity in the historic fishing village. We have a fairly comprehensive plan to ensure that this goal can be achieved. Fish House is located in the buffer zone that previously separated the two built environments and communities in Arniston. Only about 10% of the visitors to the Waenhuiskrans nature reserve and the cave also visit the historic fishing village. Fish House will play an important role in changing this trend and in serving as a bridge between the communities and ensuring that the benefits of tourism are extended beyond the purview of the town's established commercial enterprises.

Fish House had initially been approved after an extensive public process with wide approval and without any objections. After construction had progressed to some extent, Robert Haarburger requested a court order against completion of the building. As the Municipality had made a few technical and administrative errors in their part of the process, they obtained permission from the court to repeat the process. At each stage of the repetition of the public and technical process, there once again was the one objector, and no other voice was raised.

He at one point seemed to indicate that he would lay aside his objections if he could obtain a stake in and control of Fish House. He later stated that he has no desire to have a stake in Fish House. We trust that this may allow us to complete Fish House.

The Council considered Mr. Haarburger's objections on February 23, and in a lengthy motivation of several hundred pages again approved Fish House.

In August, however, the Municipal Manager issued an order that construction on Fish House be halted because Mr. Haarburger again threatened legal steps.

In December, the Council approved Fish House for a third time, but with a change in the lease agreement to curtail conditions governing Fish House.

The Trust and the Fishermen's Union had not formerly agreed to the amendment of the previously approved lease agreement. We believe it to be detrimental to the project and the value it will eventually have for the entire community, including the objector. However, we do not plan to claim those rights on behalf of the community now, but rather to ensure that Fish House is completed within the restrictive measures, so that as many members

of the community as possible may be able to use it for the benefit of the entire community as soon as possible.

The cost of the previous delay in work on Fish House was nearly R600 000. This included an increase in construction costs, a loss on rafters and other material that had been delivered, but then could not be used and had to be sold as scrap, as well as the forfeiture of a deposit that had been paid to a subcontractor. The cost of the second stoppage of work has not yet been calculated in full by the quantity surveyor.

Financial position

Donations and other income for the 2015 - 2016 financial year was R520 000, against R768 000 in the previous year.

Bursaries were R462 000, compared to R624 000 in the previous year. Work on Fish House and support for diverse community projects came to R60 000, against R134 000 in the previous year.

The surplus for the year is R56 000.

Supervision

The Trust is registered with the Master of the High Court (Number: IT3854/2004); at the Department of Community Development (042-478-NPO); and at the Receiver of Revenue, under sections 30 and 18a of the Income Tax Act.

The auditors of the Trust are PricewaterhouseCoopers Inc. (Reg No. 1998/012055/21). The audit is done according to the requirements of generally accepted accounting practices (GAAP). The trustees are Colin Bird, Vivian Lourens, André Marthinus and Hannes van Zyl.

In conclusion

We aim to complete Fish House as soon as possible.

Hannes van Zyl

Appendix 1 : Financial statements

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements
for the year ended 29 February 2016

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements for the year ended 29 February 2016

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

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The annual financial statements set out on pages 4 to 10, which have been prepared on the going concern basis were approved by the trustees on 02/02/2017 and were signed on their behalf by:

Trustee





**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
WAENHUISKRANS ARNISTON COMMUNITY DEVELOPMENT TRUST**

We have audited the financial statements of Waenhuiskrans Arniston Community Development Trust set out on pages 4 to 10, which comprise the balance sheet as at 29 February 2016, and the statement of comprehensive income for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 qualified audit opinion.

Basis for Qualified Opinion

Cash donations are a significant source of revenue for Waenhuiskrans Arniston Community Development Trust. The trustees have determined that it is impracticable to establish internal controls over the collection of cash donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all cash donations were recorded.

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Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mthibbe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements of Waenhuiskrans Arniston Community Development Trust for the year ended 29 February 2016 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to provide financial information to the trustees. As a result, the financial statements may not be suitable for another purpose.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: PJ Muller

Registered Auditor

Stellenbosch

Date: 02/02/2017

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements for the year ended 29 February 2016

Balance Sheet

	Notes	2016 R	2015 R
Assets			
Current Assets			
Inventories		42,295	68,262
Loans receivable	2	21,000	30,000
Trade and other receivables	3	25,415	314,728
Cash and cash equivalents	4	436,574	110,171
		<u>525,284</u>	<u>523,161</u>
Non-Current Assets			
Investments	5	20,000	20,000
Total Assets		<u>545,284</u>	<u>543,161</u>
Capital and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables		14,182	15,846
Non-Current Liabilities			
Deferred income	6	140,174	192,811
Total Liabilities		<u>154,356</u>	<u>208,657</u>
Capital			
Trust capital	7	390,928	334,504
Total Capital and Liabilities		<u>545,284</u>	<u>543,161</u>

The notes on pages 8 - 9 form an integral part of the financial statements.

Waenhuiskrans Arniston Community Development Trust
 (Registration number IT 3854/2004)
 Annual Financial Statements for the year ended 29 February 2016

Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue	9	520,313	767,950
Other income		370	97
Interest received		540	-
Open water swim event		52,637	89,608
Grant income		29,024	15,293
Dividend revenue		82,571	104,998
Operating expenses			
Accounting fees	-	14,000	- 14,000
Auditors' remuneration	-	9,350	- 8,700
Bank charges	-	4,990	- 2,746
Grant expenses	-	52,637	- 89,608
Ad hoc projects	-	59,896	- 134,251
	-	140,873	- 249,305
Surplus before distributions		462,011	623,643
Distributions	-	405,587	- 249,173
Surplus for the year		56,424	374,470

The notes on pages 8 - 9 form an integral part of the financial statements.

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

The financial statements have been prepared to comply with the mandatory periodic financial reporting as established by the Trust Deed.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Investments

Investments are stated at cost and are written down only where the value is impaired. Dividend are brought to account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.2 Inventories

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

1.3 Revenue

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

- the trust has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the trust 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 trust; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and Value Added Tax.

Donation income is recognised as it accrues.

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements for the year ended 29 February 2016

Accounting Policies

1.4 Grants

Grants are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Trust has complied with all attached conditions. Grants received where the Trust has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with.

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements for the year ended 29 February 2016

Notes to the Annual Financial Statements

	2016 R	2015 R
2. Loans receivable		
Rovina Marthinus	10,000	10,000
Wanda Europa	11,000	20,000
	<u>21,000</u>	<u>30,000</u>
The loans are unsecured, bear no interest and are repayable on demand.		
3. Trade and other receivables		
Trade receivables	25,415	14,728
Accrued income	-	300,000
	<u>25,415</u>	<u>314,728</u>
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>436,574</u>	<u>110,171</u>
5. Investments		
Welkom Yizani	4,300	4,300
Puthuma Nathi	15,700	15,700
	<u>20,000</u>	<u>20,000</u>
6. Deferred income		
National lottery grant		
Deferred income brought forward	192,811	282,419
Utilised during the year	(52,637)	(89,608)
Deferred income carried forward	<u>140,174</u>	<u>192,811</u>
The Trust deferred the income related to a National Lotteries Board grant, as it had not completed the required construction of the community centre and purchased the specified assets by year-end. The Trust expects to complete the work after the year-end and to recognise the deferred amount in the 2016 year.		
7. Trust capital		
Capital account		
Balance at beginning of year	334,504	(39,966)
Retained income transferred from the income statement	56,424	374,470
	<u>390,928</u>	<u>334,504</u>

Waenhuiskrans Arniston Community Development Trust
(Registration number IT 3854/2004)
Annual Financial Statements for the year ended 29 February 2016

Notes to the Annual Financial Statements

8. Contingencies

The trust has a contingent liability of R196,600 to pay students' study fees when they default on payments themselves.

9. Revenue

Donations received	490,500	470,900
Sales: The Arniston 1815-2015	29,813	72,600
Donations: The Arniston 1815 - 2015	-	224,450
	<u>520,313</u>	<u>767,950</u>

Waenhuiskrans Amiston Community Development Trust
 (Registration number IT 3854/2004)
 Annual Financial Statements for the year ended 29 February 2016

Statement of Comprehensive Income for the National Lottery Board Grant

	2016 R	2015 R
Grant realised	<u>52,637</u>	<u>89,608</u>
Operating expenses		
Architect fees	-	(34,714)
Courier and postage	(456)	(450)
Diverse Project support	(52,181)	(34,444)
Planning fees	-	(20,000)
Net Grant Income	<u>-</u>	<u>-</u>