

**Waenhuiskrans Arniston Community Development Trust  
(Registration number IT 3854/2004)  
Annual Financial Statements  
for the year ended 28 February 2017**

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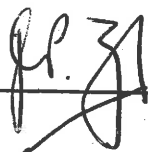
**Index**

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

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The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis were approved by the trustees on 23/03/008 and were signed on their behalf by:

Trustee





## *Independent auditor's report*

To the Trustees of Waenhuiskrans Arniston Community Development Trust

### *Our qualified opinion*

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements of Waenhuiskrans Arniston Community Development Trust (the Trust) for the year ended 28 February 2017 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

### **What we have audited**

Waenhuiskrans Arniston Community Development Trust's financial statements set out on pages 5 to 11 comprise:

- the balance sheet as at 28 February 2017;
- the statement of comprehensive income for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies;
- the statement of comprehensive income for the National Lottery Board Grant.

### *Basis for qualified opinion*

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

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Independence**

We are independent of the Trust 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

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Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk  
The Firm's principal place of business is at 2 Eglin Road, Sunninghill where a list of the partners' names is available for inspection.  
VAT reg.no. 4070182128.



### *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 trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### *Other information*

The trustees are responsible for the other information. The other information comprises the Annual Report, but 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 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 identified above 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to confirm whether all donations were recorded. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### *Responsibilities of the trustees 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 and 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.

In preparing the financial statements, the trustees are responsible for assessing the Trust'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 trustees either intend to liquidate the Trust 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 ISAs 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 ISAs, 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 Trust'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 Trust to cease to continue as a going concern.

We communicate with the trustees 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.

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.

Director: PJ Muller

Registered Auditor

Stellenbosch

23/03/2018

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**Balance Sheet**

	Notes	2017 R	2016 R
<b>Assets</b>			
<b>Current Assets</b>			
Inventories		40,273	42,295
Loans receivable	2	40,201	21,000
Trade and other receivables	3	18,904	25,415
Cash and cash equivalents	4	570,566	436,574
		<u>669,944</u>	<u>525,284</u>
<b>Non-Current Assets</b>			
Investments	5	20,000	20,000
<b>Total Assets</b>		<u>689,944</u>	<u>545,284</u>
<b>Capital and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		10,032	14,182
<b>Non-Current Liabilities</b>			
Deferred income	6	-	140,174
<b>Total Liabilities</b>		<u>10,032</u>	<u>154,356</u>
<b>Capital</b>			
Trust capital	7	679,912	390,928
<b>Total Capital and Liabilities</b>		<u>689,944</u>	<u>545,284</u>

The notes on pages 9 - 10 form an integral part of the financial statements.

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**Statement of Comprehensive Income**

	Note(s)	2017 R	2016 R
<b>Revenue</b>	9	<u>1,403,984</u>	<u>520,313</u>
<b>Other income</b>			
Distribution recoveries		17,500	-
Interest received		617	370
Open water swim event		-	540
Grant income		140,174	52,637
Dividend revenue		30,383	29,024
		<u>188,674</u>	<u>82,571</u>
<b>Operating expenses</b>			
Accounting fees		(12,000)	(14,000)
Auditors' remuneration		(9,180)	(9,350)
Bank charges		(7,419)	(4,990)
Grant expenses		(476,119)	(52,637)
Diverse Project Support		(162,425)	(59,896)
		<u>(667,143)</u>	<u>(140,873)</u>
<b>Surplus before distributions</b>		<u>925,515</u>	<u>462,011</u>
Distributions		(636,531)	(405,587)
<b>Surplus for the year</b>		<u>288,984</u>	<u>56,424</u>

The notes on pages 9 - 10 form an integral part of the financial statements.

## **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.



## **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.

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**Notes to the Annual Financial Statements**

	2017 R	2016 R
<b>2. Loans receivable</b>		
Rovina Marthinus	34,201	10,000
Wanda Europa	6,000	11,000
	<u>40,201</u>	<u>21,000</u>
The loans are unsecured, bear no interest and are repayable on demand.		
<b>3. Trade and other receivables</b>		
Trade receivables	18,219	25,415
VAT	685	-
	<u>18,904</u>	<u>25,415</u>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	570,566	436,574
<b>5. Investments</b>		
Welkom Yizani	4,300	4,300
Puthuma Nathi	15,700	15,700
	<u>20,000</u>	<u>20,000</u>
<b>6. Deferred income</b>		
<b>National lottery grant</b>		
Deferred income brought forward	140,174	192,811
Grant realised	(140,174)	(52,637)
<b>Deferred income carried forward</b>	<u>-</u>	<u>140,174</u>
The Trust deferred the income related to a National Lotteries Board grant in 2016, as it had not completed the required construction of the community centre and purchased the specified assets by 28 February 2016. The Trust completed the work after the 2016 year-end and recognised the deferred amount in the 2017 year.		
<b>7. Trust capital</b>		
<b>Capital account</b>		
Balance at beginning of year	390,928	334,504
Surplus for the year	288,984	56,424
	<u>679,912</u>	<u>390,928</u>

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**Notes to the Annual Financial Statements**

**8. Contingencies**

The trust has a contingent liability of R 55,073 to pay students' study fees when they default on payments themselves.

**9. Revenue**

Donations received	1,401,700	490,500
Sales: The Arniston 1815-2015	2,284	29,813
	<u>1,403,984</u>	<u>520,313</u>

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**Statement of Comprehensive Income for the National Lottery Board Grant**

	2017 R	2016 R
<b>Grant realised</b>	<b>140,174</b>	<b>52,637</b>
<b>Operating expenses</b>		
Architect fees	(6,816)	-
Courier and postage	-	(456)
Diverse Project support	-	(52,181)
Fish House Centre	(469,303)	-
<b>Net Grant Loss</b>	<b>(335,945)</b>	<b>-</b>