

**PLETT TOURISM ASSOCIATION  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Promoting and marketing of Plettenberg Bay and the Bitou area as a desirable tourism destination
<b>Registered office</b>	86 Longships Drive Plettenberg Bay 6600
<b>Postal address</b>	PO Box 2344 Plettenberg Bay 6600
<b>Compilers</b>	Mazars Registered Auditor
<b>Issued</b>	22 August 2017

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Index**

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

	<b>Page</b>
Practitioner's Compilation Report	3
Board's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Accounting Policies	9
Notes to the Annual Financial Statements	10 - 14

## **Practitioner's Compilation Report**

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### **To Plett Tourism Association**

We have compiled the annual financial statements of Plett Tourism Association, as set out on pages 5 - 14, based on the information you have provided. These annual financial statements comprise the statement of financial position of Plett Tourism Association as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual 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 you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

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**Mazars**  
**B Ferreira**  
**Partner**  
**Registered Auditor**  
**22 August 2017**  
**Plettenberg Bay**

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Board's Responsibilities and Approval**

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The board is required to maintain adequate accounting records and is 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 association 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 compiler is engaged to express an independent opinion on the annual financial statements.

The annual 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 judgments and estimates.

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

The board 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 board has reviewed the body corporate's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board on 22 August 2017 and were signed on its behalf by:

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**Chairperson**

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Statement of Financial Position as at 30 June 2017**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	12,425	11,992
<b>Current Assets</b>			
Trade and other receivables	3	204,417	93,700
Cash and cash equivalents	4	309,566	434,843
		<b>513,983</b>	<b>528,543</b>
<b>Total Assets</b>		<b>526,408</b>	<b>540,535</b>
<b>Funds and Liabilities</b>			
<b>Funds and reserves</b>			
Accumulated surplus		374,449	368,090
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	151,959	172,445
<b>Total Funds and Liabilities</b>		<b>526,408</b>	<b>540,535</b>

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>	6	<b>5,777,136</b>	<b>5,602,609</b>
<b>Other income</b>			
Interest received	8	41,839	30,334
<b>Operating expenses</b>			
AGM expenses		6,382	8,357
Bad debts		2,000	13,138
Bank charges		23,587	16,288
Cleaning		15,053	14,559
Compiler's remuneration		6,349	7,019
Consulting and professional fees		1,606,310	1,754,425
Depreciation, amortisation and impairments		14,662	11,148
Electricity		19,828	13,131
Employee costs		279,077	270,387
Event costs	11	2,895,340	2,355,730
Legal expenses		-	6,651
Marketing		586,972	804,647
Meeting expenses		41,785	23,308
Membership costs		3,070	-
Office supplies		16,634	28,039
Postage		2,020	3,393
Printing and stationery		4,124	4,618
Repairs and maintenance		7,773	1,783
Subscriptions		13,908	-
Telephone and fax		42,029	37,381
Website expenses		225,713	200,335
		<b>5,812,616</b>	<b>5,574,337</b>
<b>Surplus for the year</b>		<b>6,359</b>	<b>58,606</b>

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Statement of Changes in Funds**

<b>Figures in Rand</b>	<b>Accumulated surplus</b>	<b>Total funds</b>
<b>Balance at 01 July 2015</b>	<b>309,484</b>	<b>309,484</b>
<b>Surplus for the year</b>	<b>58,606</b>	<b>58,606</b>
<b>Balance at 01 July 2016</b>	<b>368,090</b>	<b>368,090</b>
<b>Surplus for the year</b>	<b>6,359</b>	<b>6,359</b>
<b>Balance at 30 June 2017</b>	<b>374,449</b>	<b>374,449</b>



**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	9	<u>(152,021)</u>	<u>(74,346)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(15,095)	(14,626)
Interest Income		41,839	30,334
<b>Net cash from investing activities</b>		<u><b>26,744</b></u>	<u><b>15,708</b></u>
<b>Total cash movement for the year</b>		<b>(125,277)</b>	<b>(58,638)</b>
Cash at the beginning of the year		434,843	493,481
<b>Total cash at end of the year</b>	4	<u><b>309,566</b></u>	<u><b>434,843</b></u>

**Plett Tourism Association**  
**Annual Financial Statements for the year ended 30 June 2017**  
**Accounting Policies**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and the Western Cape Tourism Act 2004 (Act 1 of 2004). The annual financial statements are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<b>Item</b>	<b>Average useful life</b>
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficit.

**1.2 Financial instruments**

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables and other assets as identified in note 10. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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.

**1.3 Revenue**

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.

Donations, fundraising income and membership fees are recognised when the amounts are physically received.

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Notes to the Annual Financial Statements**

Figures in Rand	2017	2016
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**2. Property, plant and equipment**

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	44,315	(31,890)	12,425	29,220	(17,228)	11,992

**Reconciliation of property, plant and equipment - 2017**

	Opening balance	Additions	Depreciation	Total
IT equipment	11,992	15,095	(14,662)	12,425

**Reconciliation of property, plant and equipment - 2016**

	Opening balance	Additions	Depreciation	Total
IT equipment	8,514	14,626	(11,148)	11,992

**3. Trade and other receivables**

Trade receivables	204,417	93,700
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**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	5,201	5,255
Bank balances	304,365	429,588
	<b>309,566</b>	<b>434,843</b>

**5. Trade and other payables**

Trade payables	151,959	172,445
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**6. Revenue**

Advertising sold	486,219	214,478
Commissions received	996,535	1,096,581
Funding received	4,210,000	4,200,000
Membership fees	25,600	37,430
Plett food film tickets	58,782	54,120
	<b>5,777,136</b>	<b>5,602,609</b>

**7. Operating (deficit) surplus**

Operating (deficit) surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	14,662	11,148
Employee costs	279,077	270,387

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2017</b>	<b>2016</b>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	41,839	30,334
<b>9. Cash used in operations</b>		
Surplus before taxation	6,359	58,606
<b>Adjustments for:</b>		
Depreciation and amortisation	14,662	11,148
Interest received	(41,839)	(30,334)
<b>Changes in working capital:</b>		
Trade and other receivables	(110,717)	29,373
Trade and other payables	(20,486)	(143,139)
	<b>(152,021)</b>	<b>(74,346)</b>

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Notes to the Annual Financial Statements**

<b>Figures in Rand</b>		<b>2017</b>	<b>2016</b>		
<b>10. Categories of financial instruments</b>					
	<b>Note(s)</b>	<b>Debt instruments at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Equity and non financial assets and liabilities</b>	<b>Total</b>
<b>Categories of financial instruments - 2017</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	2	-	-	12,425	12,425
<b>Current Assets</b>					
Trade and other receivables	3	204,417	-	-	204,417
Cash and cash equivalents	4	309,566	-	-	309,566
		<b>513,983</b>	-	-	<b>513,983</b>
<b>Total Assets</b>		<b>513,983</b>	-	<b>12,425</b>	<b>526,408</b>
<b>Funds and Liabilities</b>					
<b>Funds and reserves</b>					
Accumulated surplus		-	-	374,449	374,449
<b>Total Funds and reserves</b>		-	-	<b>374,449</b>	<b>374,449</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	5	-	151,959	-	151,959
<b>Total Liabilities</b>		-	<b>151,959</b>	-	<b>151,959</b>
<b>Total Funds and Liabilities</b>		-	<b>151,959</b>	<b>374,449</b>	<b>526,408</b>

**Plett Tourism Association  
Annual Financial Statements for the year ended 30 June 2017  
Notes to the Annual Financial Statements**

<b>Figures in Rand</b>		<b>2017</b>	<b>2016</b>
<b>Categories of financial instruments - 2016</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	-	11,992
<hr/>			
<b>Current Assets</b>			
Trade and other receivables	3	93,700	-
Cash and cash equivalents	4	434,843	-
		<b>528,543</b>	<b>528,543</b>
		<hr/>	<hr/>
<b>Total Assets</b>		<b>528,543</b>	<b>540,535</b>
<hr/>			
<b>Funds and Liabilities</b>			
<b>Funds and reserves</b>			
Accumulated surplus		-	368,090
<b>Total Funds and reserves</b>		<b>-</b>	<b>368,090</b>
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	-	172,445
<b>Total Liabilities</b>		<b>-</b>	<b>172,445</b>
<b>Total Funds and Liabilities</b>		<b>-</b>	<b>540,535</b>
		<hr/>	<hr/>

**Plett Tourism Association**  
**Annual Financial Statements for the year ended 30 June 2017**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2017</b>	<b>2016</b>
<b>11. Event costs</b>		
Events - 24 Hour Summer Reunion	49,534	-
Events - ANCYL Heritage	-	2,100
Events - Birding Route	3,295	13,328
Events - Blues Festival	8,400	-
Events - Chill Out	142,082	-
Events - Cula Loxion	141,257	-
Events - Goshen Embassy	20,000	-
Events - Gospel Concert	9,270	3,000
Events - Growth Conference	37,274	-
Events - Hope Spot	-	2,000
Events - Impssa Conference	173,955	-
Events - Kranshoek Community	-	17,023
Events - Mad Festival	107,884	346,062
Events - Mayoral Golf Day	2,810	-
Events - New Year's Eve Concert	199,257	-
Events - Other	15,759	-
Events - Plett Adventure Bike Week	87,810	22,080
Events - Plett Adventure Magazine	111,021	-
Events - Plett Arts Festival	87,113	-
Events - Plett Arts Mag Expenses	111,774	-
Events - Plett Boxing	71,425	47,293
Events - Plett Food Film	170,449	320,380
Events - SA Seniors Golf	57,800	-
Events - Summer Festival and Guide	189,173	362,060
Events - The Great Plett River Braai	35,040	-
Events - Tour de Plett	-	122,790
Events - Wine and Bubbly Festival	995,864	1,087,651
Events - Winelands	3,544	9,963
Events - Winter Warming	5,000	-
Events - iKasi	58,550	-
	<b><u>2,895,340</u></b>	<b><u>2,355,730</u></b>