

**PLETT TOURISM ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Promoting and marketing of Plettenberg Bay and the Bitou area as a desirable tourism destination
Registered office	86 Longships Drive Plettenberg Bay 6600
Postal address	PO Box 2344 Plettenberg Bay 6600
Compilers	MAZARS Registered Auditor
Issued	25 August 2015

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

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PRACTITIONER'S COMPILATION REPORT

To the board of Plett Tourism Association

We have compiled the annual financial statements of Plett Tourism Association, as set out on pages 5 - 15, 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 2015, the statement of comprehensive income, statement of changes in funds 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.

MAZARS
B Ferreira
Partner
Registered Auditor
25 August 2015
Plettenberg Bay

PLETT TOURISM ASSOCIATION
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Board's Responsibilities and Approval

The board is required by the Western Cape Tourism Act 2004 (Act 1 of 2004), 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 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 judgements 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 association's cash flow forecast for the year to 30 June 2016 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 compiler is responsible for compiling and reporting on the association's annual financial statements and their report is presented on page 3.

The annual financial statements set out on pages 5 to 15, were approved by the board on 25 August 2015 and have been signed by them or on their behalf by:

Chairperson

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	8,514	13,379
Current Assets			
Trade and other receivables	3	123,072	159,053
Cash and cash equivalents	4	493,481	556
		616,553	159,609
Total Assets		625,067	172,988
Funds and Liabilities			
Funds			
Accumulated surplus		309,483	172,988
Liabilities			
Current Liabilities			
Trade and other payables	5	315,584	-
Total Funds and Liabilities		625,067	172,988

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue	6	4,297,010	2,057,955
Other income			
Interest received		25	-
Operating expenses			
Assets less than R 7000		1,199	-
Bank charges		9,571	-
Cleaning		6,365	3,067
Compiler's remuneration		5,444	5,444
Consulting and professional fees		1,558,306	874,813
Depreciation, amortisation and impairments		4,865	1,216
Employee costs		67,397	39,450
Event costs	10	1,710,960	360,891
Legal expenses		3,582	9,232
Marketing		523,763	370,560
Meeting expenses		30,709	7,540
Municipal expenses		-	13,691
Office refurbishment		2,160	46,916
Office supplies		17,946	15,018
Postage		1,251	1,021
Printing and stationery		7,455	-
Repairs and maintenance		2,188	1,498
Telephone and fax		32,335	25,176
Website expenses		175,045	128,438
		4,160,541	1,903,971
Surplus for the year		136,494	153,984

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
Statement of Changes in Funds

Figures in Rand	Accumulated surplus	Total funds
Balance at 01 July 2013	19,004	19,004
Surplus for the year	153,984	153,984
Balance at 01 July 2014	172,988	172,988
Surplus for the year	136,495	136,495
Balance at 30 June 2015	309,483	309,483

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	8	492,900	15,151
Interest income		25	-
Net cash from operating activities		492,925	15,151
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(14,595)
Total cash movement for the year		492,925	556
Cash at the beginning of the year		556	-
Total cash at end of the year	4	493,481	556

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2015
Accounting Policies

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, and the Western Cape Tourism Act 2004 (Act 1 of 2004). The annual financial statements have been prepared on the historical cost basis, 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 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, 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 includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs 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.

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, which is as follows:

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

Item	Average usefull life
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

1.2 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 surplus or deficit) 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.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables and other assets and liabilities. 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.

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Annual Financial Statements for the year ended 30 June 2015
Accounting Policies

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	14,595	(6,081)	8,514	14,595	(1,216)	13,379

Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
IT equipment	13,379	(4,865)	8,514

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
IT equipment	-	14,595	(1,216)	13,379

3. Trade and other receivables

Trade receivables	123,072	48,960
Prepayments	-	380
Other receivables	-	109,713
	123,072	159,053

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	716	556
Bank balances	492,765	-
	493,481	556

5. Trade and other payables

Trade payables	315,584	-
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6. Revenue

Advertising sold	221,990	110,280
Commission received	887,123	10,784
Funding received	3,040,000	1,843,691
Membership fees	62,920	-
Plett food film tickets	78,977	1,200
Product development funding	-	80,000
Trade show ncome	6,000	12,000
	4,297,010	2,057,955

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Figures in Rand	2015	2014
7. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	4,865	1,216
Employee costs	67,397	39,450
8. Cash generated from operations		
Profit before taxation	136,495	153,984
Adjustments for:		
Depreciation and amortisation	4,865	1,216
Interest received	(25)	-
Changes in working capital:		
Trade and other receivables	35,981	(90,049)
Trade and other payables	315,584	(50,000)
	492,900	15,151

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Annual Financial Statements for the year ended 30 June 2015
Notes to the Annual Financial Statements

9. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2015					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	8,514	8,514
Current Assets					
Trade and other receivables	3	123,072	-	-	123,072
Cash and cash equivalents	4	493,481	-	-	493,481
		616,553	-	-	616,553
Total Assets		616,553	-	8,514	625,067
Funds and Liabilities					
Funds					
Accumulated surplus		-	-	309,483	309,483
Total Funds		-	-	309,483	309,483
Liabilities					
Current Liabilities					
Trade and other payables	5	-	315,584	-	315,584
Total Liabilities		-	315,584	-	315,584
Total Funds and Liabilities		-	315,584	309,483	625,067

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	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2014					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	13,379	13,379
Current Assets					
Trade and other receivables	3	158,673	-	380	159,053
Cash and cash equivalents	4	556	-	-	556
		159,229	-	380	159,609
Total Assets		159,229	-	13,759	172,988
Funds and Liabilities					
Funds					
Accumulated surplus		-	-	172,988	172,988
Total Funds		-	-	172,988	172,988
Total Funds and Liabilities		-	-	172,988	172,988

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Figures in Rand	2015	2014
10. Event costs		
ANC Heritage Day	10,245	-
Bridging Project	13,580	-
Birding Route	13,364	-
Cemair Launch	-	20,000
Geezer Rage	3,458	-
Gospel Concert	160,300	-
Easter Games	-	15,000
Fringe Festival	30,000	-
Hope Spot	11,465	5,000
Kranshoek Community	5,683	1,500
Land Arts	1,000	-
Mad Festival	154,725	75,583
PE to Plett	-	2,046
Plett Adventure Bike Week	34,200	39,900
Plett Boxing	5,320	10,419
Plett Downhill Rage	50,000	30,000
Plett Food Film	253,971	29,451
Plett Feeling Safe Campaign	4,000	-
Plett Music Festival	14,489	7,000
Sabrina Love	-	2,950
Slackpacking	5,146	13,500
Summer festival and guide	204,884	-
Tourism Development Workshop	-	20,000
Winelands	166,843	88,542
Wine and Bubbly Fest	568,287	-
	<u>1,710,960</u>	<u>360,891</u>