

**PLETT TOURISM ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
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 Inc. Registered Auditor
Published	01 September 2014

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

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INDEPENDENT COMPILER'S REPORT

To the board of Plett Tourism Association

We have compiled the accompanying annual financial statements of Plett Tourism Association 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 2014, 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 Inc.
Director: B Ferreira
01 September 2014
Plettenberg Bay**

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
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 2015 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 14, which have been prepared on the going concern basis, were approved by the board on 01 September 2014 and were signed on its behalf by:

Chairperson

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	30 June 2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	13,379	-
Current Assets			
Trade and other receivables	3	159,053	69,004
Cash and cash equivalents	4	556	-
		159,609	69,004
Total Assets		172,988	69,004
Funds and Liabilities			
Equity			
Accumulated surplus		172,988	19,004
Liabilities			
Current Liabilities			
Trade and other payables	5	-	50,000
Total Funds and Liabilities		172,988	69,004

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	6 months ended 30 June 2013
Revenue	6	2,057,955	1,016,200
Operating expenses			
Cleaning		3,067	-
Compiler's remuneration		5,444	-
Consulting and professional fees		874,813	129,396
Depreciation, amortisation and impairments		1,216	-
Employee costs		39,450	-
Event costs	12	360,891	569,456
Legal expenses		9,232	-
Marketing		370,560	298,344
Meeting expenses		7,540	-
Municipal expenses		13,691	-
Office refurbishment		46,916	-
Office supplies		15,018	-
Postage		1,021	-
Repairs and maintenance		1,498	-
Telephone and fax		25,176	-
Website expenses		128,438	-
		1,903,971	997,196
Surplus for the year		153,984	19,004

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
Statement of Changes in Funds

Figures in Rand	Accumulated Total funds surplus	
Surplus for the 6 months	19,004	19,004
Balance at 01 July 2013	19,004	19,004
Surplus for the year	153,984	153,984
Balance at 30 June 2014	172,988	172,988

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
Statement of Cash Flows

Figures in Rand	Note(s)	2014	6 months ended 30 June 2013
Cash flows from operating activities			
Cash generated from operations	9	15,151	-
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(14,595)	-
Total cash movement for the year		556	-
Total cash at end of the year	4	556	-

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
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 initially recognised at cost. Cost is the cash price equivalent at the recognition date.

If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

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.

This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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:

Item	Average useful 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.

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2014
Accounting Policies

1.2 Financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at the transaction price and subsequently at the undiscounted amount of the cash or other consideration expected to be received, less provision for impairment.

Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently at the undiscounted amount of the cash or other consideration expected to be paid.

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. These balances are measured at amortised cost.

1.3 Revenue

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 discounts, volume rebates, and value added tax.

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

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Annual Financial Statements for the year ended 30 June 2014
Notes to the Annual Financial Statements

Figures in Rand 2014 2013

2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
IT equipment	14,595	(1,216)	13,379	-	-	-

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	48,960	1
Prepayments	380	-
Other receivables	109,713	69,003
	159,053	69,004

Other receivables consist of a bank balance in the name of Guest Accommodation and Activities Association. At the time of the compilation report, Plett Tourism Association was in the process of opening a bank account and this account was used in the interim.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	556	-
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5. Trade and other payables

Other payables	-	50,000
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6. Revenue

Advertising sold	110,280	-
Commission received	10,784	-
Funding received	1,843,691	1,015,000
Membership fees	-	1,200
Plett Food Film Tickets	1,200	-
Product development funding	80,000	-
Trade Show Income	12,000	-
	2,057,955	1,016,200

7. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	1,216	-
Employee costs	39,450	-

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Figures in Rand	2014	2013
8. Taxation		
No provision has been made for 2014 tax as the association has no taxable income.		
9. Cash generated from operations		
Surplus before taxation	153,984	19,004
Adjustments for:		
Depreciation and amortisation	1,216	-
Changes in working capital:		
Trade and other receivables	(90,049)	(69,004)
Trade and other payables	(50,000)	50,000
	<u>15,151</u>	<u>-</u>

10. Comparative figures

The comparative reporting period is shorter than a year, therefore comparative amounts are not comparable to the current balances.

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Notes to the Annual Financial Statements

11. 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 - 2014					
Assets					
Current Assets					
Trade and other receivables	3	158,674	-	380	159,054
Cash and cash equivalents	4	556	-	-	556
		159,230	-	380	159,610
Total Assets		159,230	-	380	159,610
Categories of financial instruments - 2013					
Assets					
Current Assets					
Trade and other receivables	3	69,003	-	-	69,003
Total Assets		69,003	-	-	69,003
Liabilities					
Current Liabilities					
Trade and other payables	5	-	50,000	-	50,000
Total Liabilities		-	50,000	-	50,000

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Figures in Rand	2014	2013
12. Event costs		
Cemair Launch	20,000	-
Easter Games	15,000	120,000
Fringe Festival	-	20,000
Hope Spot	5,000	-
Kranshoek Community	1,500	-
Land Arts	-	100,000
Mad Festival	75,583	-
PE to Plett	2,046	-
Plett Adventure Bike Week	39,900	-
Plett Boxing	10,419	-
Plett Downhill Rage	30,000	-
Plett Food Film	29,451	-
Plett Music Festival	7,000	-
Sabrina Love	2,950	-
Slackpacking	13,500	-
Tour de Plett	-	70,000
Tourism Development Workshop	20,000	-
Wedding Festival	-	40,000
Wedge Classic	-	100,000
Winelands	88,542	-
World Orchestra	-	119,456
	360,891	569,456