

**PLETT TOURISM ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
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
Practitioners	Registered Auditor
Compilers	Mazars Registered Auditor
Issued	01 October 2018

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Index

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

	Page
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 - 10
Notes to the Annual Financial Statements	11 - 15

Practitioner's Compilation Report

To Plett Tourism Association

We have compiled the annual financial statements of Plett Tourism Association, as set out on pages 5 - 15, based on information you have provided. These financial statements comprise the statement of financial position of Plett Tourism Association as at 30 June 2018, 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 financial statements in accordance with 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 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 financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

B Ferreira
Partner
Registered Auditor
01 October 2018
Plettenberg Bay

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Trustee's Responsibilities and Approval

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 association's cash flow forecast for the year to 30 June 2019 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 - 15, which have been prepared on the going concern basis, were approved by the board on 01 October 2018 and were signed on its behalf by:

Chairperson

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,480	12,425
Current Assets			
Trade and other receivables	3	164,125	204,417
Cash and cash equivalents	4	186,521	309,566
		350,646	513,983
Total Assets		357,126	526,408
Funds and Liabilities			
Funds and reserves			
Accumulated surplus		253,382	374,448
Liabilities			
Current Liabilities			
Trade and other payables	5	103,744	151,960
Total Funds and Liabilities		357,126	526,408

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Statement of Comprehensive Income

Figures in Rand		2018	2017
Revenue	6	5,712,148	5,777,136
Other income			
Interest received	8	51,524	41,839
Operating expenses			
AGM expenses		11,570	6,382
Compiler's remuneration		8,624	6,349
Bad debts		22,065	2,000
Bank charges		25,829	23,587
Cleaning		13,634	15,053
Consulting and professional fees		1,574,961	1,606,310
Depreciation, amortisation and impairments		5,944	14,662
Donations		-	5,530
Employee costs		453,893	279,077
Event costs	11	3,001,384	2,617,500
Fire equipment purchased		-	21,260
Growth conference expenses		-	37,274
Legal expenses		29,851	-
Marketing		380,057	560,182
Membership costs		3,375	3,070
Meeting expenses		31,317	41,785
Electricity		13,410	19,828
Office supplies		15,520	16,634
Postage		1,907	2,020
Printing and stationery		4,383	4,124
Repairs and maintenance		7,168	7,773
Subscriptions		228	13,908
Telephone and fax		45,600	42,029
Website costs		234,018	225,713
		5,884,738	5,572,050
Operating (deficit) surplus	7	(121,066)	246,925
Social contributions to the community	12	-	(240,567)
(Deficit) surplus for the year		(121,066)	6,358

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Statement of Changes in Reserves

Figures in Rand	Accumulated surplus	Total funds
Balance at 01 July 2016	368,090	368,090
Surplus for the year	6,358	6,358
Balance at 01 July 2017	374,448	374,448
Deficit for the year	(121,066)	(121,066)
Balance at 30 June 2018	253,382	253,382

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash used in operations	9	<u>(174,569)</u>	<u>(152,021)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(15,095)
Interest Income		51,524	41,839
Net cash from investing activities		<u>51,524</u>	<u>26,744</u>
Total cash movement for the year		(123,045)	(125,277)
Cash at the beginning of the year		<u>309,566</u>	<u>434,843</u>
Total cash at end of the year	4	<u>186,521</u>	<u>309,566</u>

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Western Cape Tourism Act 2004 (Act 1 of 2004) and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. 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 assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using the straight-line method.

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

Item	Average useful life
IT equipment	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Accounting Policies

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables, 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 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
-----------------	------	------

2. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
IT equipment	44,315	(37,835)	6,480	44,315	(31,890)	12,425

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Closing balance
IT equipment	12,425	(5,944)	6,480

Reconciliation of property, plant and equipment - 2017

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

3. Trade and other receivables

Trade receivables	164,125	204,417
-------------------	---------	---------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	270	5,201
Bank balances	186,251	304,365
	186,521	309,566

5. Trade and other payables

Trade payables	103,744	151,960
----------------	---------	---------

6. Revenue

Advertising sold	782,863	486,219
Commissions received	436,898	996,535
Funding received	4,381,470	4,210,000
Membership fees	110,917	25,600
Plett food film tickets	-	58,782
	5,712,148	5,777,136

7. Operating (deficit) surplus

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

Depreciation on property, plant and equipment	5,944	14,662
Employee costs	453,893	279,077

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
8. Investment revenue		
Interest revenue		
Bank	51,524	41,839
	51,524	41,839
9. Cash used in operations		
(Deficit) surplus before taxation	(121,066)	6,358
Adjustments for:		
Depreciation and amortisation	5,944	14,662
Interest received	(51,524)	(41,839)
Changes in working capital:		
Trade and other receivables	40,292	(110,717)
Trade and other payables	(48,215)	(20,485)
	(174,569)	(152,021)

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Notes to the Annual Financial Statements

10. 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 - 2018					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	6,480	6,480
Current Assets					
Trade and other receivables	3	164,126	-	-	164,126
Cash and cash equivalents	4	186,521	-	-	186,521
		350,647	-	-	350,647
Total Assets		350,647	-	6,480	357,127
Funds and Liabilities					
Funds and reserves					
Accumulated profit		-	-	253,382	253,382
Total Funds and reserves		-	-	253,382	253,382
Liabilities					
Current Liabilities					
Trade and other payables	5	-	103,745	-	103,745
Total Liabilities		-	103,745	-	103,745
Total Funds and Liabilities		-	103,745	253,382	357,127

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Notes to the Annual Financial Statements

10. Categories of financial instruments (continued)

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2017					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	12,425	12,425
Current Assets					
Trade and other receivables	3	204,417	-	-	204,417
Cash and cash equivalents	4	309,566	-	-	309,566
		513,983	-	-	513,983
Total Assets		513,983	-	12,425	526,408
Funds and Liabilities					
Funds and reserves					
Accumulated profit		-	-	374,448	374,448
Funds and reserves		-	-	374,448	374,448
Liabilities					
Current Liabilities					
Trade and other payables	5	-	151,960	-	151,960
Total Liabilities		-	151,960	-	151,960
Total Funds and Liabilities		-	151,960	374,448	526,408

PLETT TOURISM ASSOCIATION
Annual Financial Statements for the year ended 30 June 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
11. Event costs		
Events - 24 Hour Summer Reunion	27,154	49,534
Events - Birding Route	-	3,295
Events - Blues Festival	-	8,400
Events - Chill Out	100,000	142,082
Events - DJ Mjilo	64,400	-
Events - Expitition Africa	42,760	-
Events - Gospel Concert	-	9,270
Events - Growth Conference	105,808	-
Events - Impssa Conference	-	173,955
Events - King Melisizwe	22,000	-
Events - Kranshoek Community	12,460	-
Events - Mad Festival	-	107,884
Events - Mayoral Golf Day	-	2,810
Events - New Year's Eve Concert	161,896	199,257
Events - Plett Adventure Bike Week	14,200	87,810
Events - Plett Adventure Magazine	175,456	111,021
Events - Plett Arts Festival	352,252	87,113
Events - Plett Arts Mag Expenses	168,750	111,774
Events - Plett Boxing	89,653	71,425
Events - Plett Field Band	50,000	-
Events - Plett Food Film	104,106	170,449
Events - SA Seniors Golf	-	57,800
Events - Summer Festival and Guide	281,482	189,173
Events - The Great Plett River Braai	-	35,040
Events - Wine & Food Mag 2017	113,577	-
Events - Wine and Bubbly Festival	1,110,683	995,864
Events - Winelands	4,747	3,544
	3,001,384	2,617,500
12. Social contributions to the community		
Cula Loxion	-	141,257
Goshen Embassy	-	20,000
Other	-	15,760
Winter Warming	-	5,000
iKasi	-	58,550
	-	240,567