

**PLETT TOURISM ASSOCIATION
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

**Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
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	Mazars Registered Auditor
Issued	11 November 2020

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
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Practitioner's Compilation Report

To Plett Tourism Association

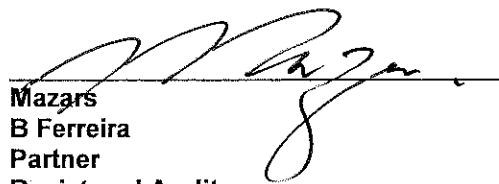
We have compiled the annual financial statements of Plett Tourism Association, as set out on pages 5 - 14, based on the information you have provided. These annual financial statements comprise the statement of financial position of Plett Tourism Association as at 30 June 2020, the statement of comprehensive 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
11 November 2020
Plettenberg Bay

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Board's Responsibilities and Approval

The board is required by the Companies Act of South Africa, 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 his 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.

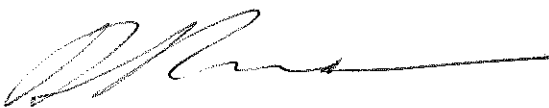
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board acknowledges that they are ultimately responsible for the system of internal financial control established by the association and place 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 are 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 have reviewed the association's cash flow forecast for the year to 30 June 2021 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 11 November 2020 and were signed by:



Chairperson

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Statement of Financial Position as at 30 June 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	14,520
Current Assets			
Trade and other receivables	3	107,547	129,597
Cash and cash equivalents	4	331,924	325,642
		439,471	455,239
Total Assets		439,471	469,759
Funds and Liabilities			
Funds and reserves			
Accumulated surplus		439,471	377,411
Liabilities			
Current Liabilities			
Trade and other payables	5	-	92,348
Total Funds and Liabilities		439,471	469,759

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	6	3,608,471	5,240,300
Operating expenses			
AGM expenses		5,050	7,936
Bad debts		7,500	1,750
Bank charges		17,512	25,867
Cleaning		13,003	14,561
Compilers remuneration		9,672	9,082
Depreciation, amortisation and impairments		2,520	8,959
Employee costs		490,577	519,946
Event costs	11	332,418	1,141,177
Legal expenses		-	137,943
Magazine publication expenses		553,003	734,384
Marketing		655,244	474,997
Meeting expenses		26,405	50,344
Municipal expenses		13,698	14,138
Office supplies		22,757	46,296
Outsourced and professional fees		1,107,355	1,652,305
Postage		1,290	703
Printing and stationery		265	1,229
Repairs and maintenance		6,037	5,982
Telephone and fax		38,231	42,710
Website costs		292,083	319,235
		3,594,620	5,209,544
Operating surplus	7	13,851	30,756
Investment income	8	48,209	93,272
Surplus for the year		62,060	124,028

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Statement of Changes in Funds

Figures in Rand	Accumulated surplus	Total funds
Balance at 01 July 2018	253,383	253,383
Surplus for the year	124,028	124,028
Balance at 01 July 2019	377,411	377,411
Surplus for the year	62,060	62,060
Balance at 30 June 2020	439,471	439,471

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash (used in) generated from operations	9	(53,927)	62,848
Interest income		48,209	93,272
Net cash from operating activities		(5,718)	156,120
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(16,999)
Proceeds on Sale of property, plant and equipment	2	12,000	-
Net cash from investing activities		12,000	(16,999)
Total cash movement for the year		6,282	139,121
Cash at the beginning of the year		325,642	186,521
Total cash at end of the year	4	331,924	325,642

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
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 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 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. Changes to their estimates are recognised as an adjustment to the cost of the item of property, plant and equipment.

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 a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

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

Item	Average useful life
Motor vehicles	4 years
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 2020
Accounting Policies

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. 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 2020
Notes to the Annual Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	-	-	-	16,999	(2,479)	14,520
IT equipment	44,315	(44,315)	-	44,315	(44,315)	-
Total	44,315	(44,315)	-	61,314	(46,794)	14,520

Reconciliation of property, plant and equipment - 2020

	Opening balance	Disposals	Depreciation	Closing balance
Motor vehicles	14,520	(12,000)	(2,520)	-

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	-	16,999	(2,479)	14,520
IT equipment	6,480	-	(6,480)	-
	6,480	16,999	(8,959)	14,520

3. Trade and other receivables

Trade receivables	107,547	129,597
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,500	819
Bank balances	326,424	324,823
	331,924	325,642

5. Trade and other payables

Trade payables	-	92,348
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6. Revenue

Advertising sales	677,024	770,220
Commissions received	2,487	52,580
Funding received	2,778,200	4,310,000
Membership fees	150,760	107,500
	3,608,471	5,240,300

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
Notes to the Annual Financial Statements

Figures in Rand	2020	2019
7. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	2,520	8,959
Employee costs	490,577	519,946
8. Investment revenue		
Interest revenue		
Bank	48,209	93,272
9. Cash (used in) generated from operations		
Surplus before taxation	62,060	124,028
Adjustments for:		
Depreciation and amortisation	2,520	8,959
Interest received	(48,209)	(93,272)
Changes in working capital:		
Trade and other receivables	22,050	34,528
Trade and other payables	(92,348)	(11,395)
	(53,927)	62,848

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
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 - 2020					
Assets					
Current Assets					
Trade and other receivables	3	107,547	-	-	107,547
Cash and cash equivalents	4	331,924	-	-	331,924
		439,471	-	-	439,471
Total Assets		439,471	-	-	439,471
Funds and Liabilities					
Funds and reserves					
Accumulated surplus		-	-	439,471	439,471
Total Funds		-	-	439,471	439,471
Total Funds and Liabilities		-	-	439,471	439,471

Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020
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 - 2019					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	14,520	14,520
Current Assets					
Trade and other receivables	3	129,597	-	-	129,597
Cash and cash equivalents	4	325,642	-	-	325,642
		455,239	-	-	455,239
Total Assets		455,239	-	14,520	469,759
Funds and Liabilities					
Funds					
Accumulated surplus		-	-	377,411	377,411
Total Funds		-	-	377,411	377,411
Liabilities					
Current Liabilities					
Trade and other payables	5	-	92,348	-	92,348
Total Liabilities		-	92,348	-	92,348
Total Funds and Liabilities		-	92,348	377,411	469,759

**Plett Tourism Association
Annual Financial Statements for the year ended 30 June 2020**

Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2020	2019
11. Event costs			
Events - Chill Out		-	59,500
Events - December Streetlight Party		145,292	145,222
Events - History Festival		260	-
Events - King Melisizwe		-	40,856
Events - Mayoral Golf Day		200	1,500
Events - New Year's Eve Concert		50,200	136,871
Events - Other		-	363,182
Events - Plett Adventure Bike Week		-	80,950
Events - Plett Arts Festival		9,705	163,352
Events - Plett Boxing		-	59,039
Events - Plett High Five		119,011	-
Events - SA Seniors Golf		1,950	37,417
Events - Wine and Bubbly Festival		467	51,988
Events - Winelands		5,333	1,300
		332,418	1,141,177