

**HOUT BAY UNITED FOOTBALL COMMUNITY TRUST
(TRUST REGISTRATION NUMBER IT000536/2015)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
TYPE OF TRUST	Public Benefit Organisation
TRUSTEES	S.L. Trupp J. Kreeftenberg J. C. Elson
REGISTERED OFFICE	3 Scott Road HOUT BAY 7806
POSTAL ADDRESS	3 Scott Road HOUT BAY 7806
BANKERS	Nedbank Limited
COMPILER	Marx Gore Chartered Accountants (S.A.) Registered Auditors
TRUST REGISTRATION NUMBER	IT000536/2015
TAX REFERENCE NUMBER	0779/057/25/6
PBO NUMBER	930051398

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

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

The trustees 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 trustees have reviewed the trust's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the board of trustees and were signed by them:

S.L. Trupp

Date

J. Kreeffenberg

Date

J. C. Elson

Date

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TRUSTEES' REPORT

The trustees have pleasure in submitting their report on the annual financial statements of Hout Bay United Football Community Trust for the year ended 28 February 2019.

1. NATURE OF BUSINESS

Hout Bay United Football Community Trust was formed in South Africa as a Public Benefit Organisation with interests in youth development and education.

There have been no material changes to the nature of the trust's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

3. TRUSTEES

The trustees in office at the date of this report are as follows:

Trustees

S.L. Trupp

J. Kreeftenberg

J. C. Elson

4. EVENTS AFTER THE REPORTING PERIOD

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. GOING CONCERN

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

PRACTITIONER'S COMPILATION REPORT

To Hout Bay United Football Community Trust

We have compiled the annual financial statements of Hout Bay United Football Community Trust, as set out on pages 6 - 12, based on the information you have provided. These annual financial statements comprise the statement of financial position of Hout Bay United Football Community Trust as at 28 February 2019, 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.

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.

Marx Gore
Chartered Accountants (S.A.)
Registered Auditors

Date

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STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

Figures in Rand	Note(s)	2019	2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	386 390	515 186
CURRENT ASSETS			
Trade and other receivables		171 444	-
Cash and cash equivalents	3	11 007	70 569
		182 451	70 569
Total Assets		568 841	585 755
EQUITY AND LIABILITIES			
EQUITY			
Trust capital	4	100	100
Accumulated funds		554 040	388 931
		554 140	389 031
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans payable	5	14 701	196 724
Total Equity and Liabilities		568 841	585 755

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2019	2018
INCOME			
Donations		1 848 861	2 929 205
Clothing sales		281 498	14 205
Fundraising		21 590	-
Sundry income		-	22 250
		2 151 949	2 965 660
OPERATING EXPENSES			
Accounting fees		4 000	-
Advertising and promotions		-	14 812
Bank charges		8 577	7 918
Cleaning		26 607	7 324
Coaching and related fees		712 597	1 388 656
Courier and postage		-	530
Depreciation, amortisation and impairments		128 797	128 797
Donations		-	1 810
Entertainment		2 150	6 700
Football fees		11 830	5 743
General expenses		221 280	58 347
Insurance		41 107	28 456
Intern fees		-	50 000
Magazines and journals		-	11
Match bonuses		62 800	56 350
Medals and trophies		-	27
Medical expenses		10 365	5 031
Motor vehicle expenses		(8 550)	34 320
Players - general costs		-	12 243
Players - wages		473 672	-
Players food		-	26 078
Printing and stationery		6 157	12 099
Referee costs		-	1 583
Sports kit and clothing		93 802	290 123
Sundry expenses		-	4 500
Telephone and fax		-	500
Tournament costs		9 574	10 260
Training field expense		-	750
Transport expenses		182 075	387 396
Travel and accommodation		-	52 400
		1 986 840	2 592 764
Operating surplus		165 109	372 896
Finance costs		-	(1)
Surplus funds/(deficit) for the year		165 109	372 895

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Trust capital	Accumulated funds	Total equity
Balance at 01 March 2017	100	16 036	16 136
Surplus for the year	-	372 895	372 895
Balance at 01 March 2018	100	388 931	389 031
Surplus for the year	-	165 109	165 109
Balance at 28 February 2019	100	554 040	554 140
Note(s)	4		

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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		122 461	501 693
Finance costs		-	(1)
Net cash from operating activities		122 461	501 692
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	-	(643 983)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in loans payable		(182 023)	189 451
Net cash from financing activities		(182 023)	189 451
Total cash movement for the year		(59 562)	47 160
Cash at the beginning of the year		70 569	23 409
Total cash at end of the year	3	11 007	70 569

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ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

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 Africa 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 trust 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.

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 trust.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years

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. 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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ACCOUNTING POLICIES

1.3 REVENUE

Income comprises of donations received and the income earned on the sale of clothing and related items.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2019 2018

2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	643 983	(257 593)	386 390	643 983	(128 797)	515 186

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Motor vehicles	515 186	(128 796)	386 390
	515 186	(128 796)	386 390

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	-	643 983	(128 797)	515 186

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	11 007	70 569
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4. TRUST CAPITAL

Donations S.L. Trupp	100	100
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5. LOANS PAYABLE

Home Heroes Proprietary Limited	(14 701)	(196 724)
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6. TAXATION

No provision has been made for 2019 tax as the trust is a Public Benefit Organisation and exempt for tax purposes.