

# Hangberg Educational Trust

(Registration number IT1394/2012)

Annual Financial Statements for the year ended 28 February 2017

## General Information

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Country of incorporation and domicile	South Africa
Type of trust	PBO engaged in educational activities for people of Hangberg
Trustees	Mark Allen Janap Davids Carol Fisher Liz Huckle Evelyn Masemola Michael Schroder
Registered office	29 Worcester Street Hout Bay 7806
Postal address	29 Worcester Street Hout Bay 7806
Auditor	Temlett & Co Chartered Accountant (S.A.) Registered Auditor
Tax reference number	9026554239
Preparer	The annual financial statements were internally compiled by: N Minnaar H Dip. Acc.
PBO number	930040922

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

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## Trustees' Responsibilities and Approval

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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 basis of accounting as set out in Note 1 to the financial statements. The external auditor's are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements 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 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 28 February 2018 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.

### Approval of annual financial statements



Trustee



Trustee



## Independent Auditor's Report

### To the trustee of Hangberg Educational Trust

#### Qualified opinion

I have audited the annual financial statements of Hangberg Educational Trust set out on pages 7 to 11, which comprise the statement of financial position as at 28 February 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the basis for qualified opinion section of my report, the annual financial statements present fairly, in all material respects, the financial position of Hangberg Educational Trust as at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Trust Property Control Act 57 of 1988.

#### Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Independent Auditor's Report

In common with similar organisations, the trust derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the trust, and I am not able to determine whether any adjustments might be necessary to donation revenues.



**P Temlett**  
**Chartered Accountant (SA)**  
**Registered Auditor**

**08 January 2018**  
**Hout Bay**



# Hangberg Educational Trust

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Annual Financial Statements for the year ended 28 February 2017

## Trustees' Report

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The trustees have pleasure in submitting their report on the annual financial statements of Hangberg Educational Trust for the year ended 28 February 2017.

### 1. The trust

The trust was registered on Wednesday, 23 May 2012 (IT 1394/2012) and is registered as a Non-Profit Organisation per Act 71 of 1977 (NPO 118-017).

### 2. Nature of business

Hangberg Educational Trust was formed to engage in educational activities, which will provide immediate relief and long term upliftment for people of Hangberg, Hout Bay.

### 3. Review of financial results and activities

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

### 4. Executive Volunteers

The executive volunteers of the trust during the accounting year and up to the date of this report are as follows:

Tania Gray  
Michele Harvey  
Nicolette Rotter  
Marquerithe Schreuder  
Karen Temlett

### 5. Trustees

The trustees of the trust during the year and up to the date of this report are as follows:

#### Changes

Mark Allen	
Janap Davids	
Carol Fisher	
Liz Huckle	
Evelyn Masemola	
Gerhard Pietersen	Resigned 25 August 2017
Michael Schroder	

### 6. 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.

### 7. Auditors

Temlett & Co continued in office as auditors for the trust for 2017.

They will continue in office for the 2018 financial year.

# Hangberg Educational Trust

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Annual Financial Statements for the year ended 28 February 2017

## Statement of Financial Position as at 28 February 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	96 407	356 106
<b>Total Assets</b>		<b>96 407</b>	<b>356 106</b>
<b>Reserves and Liabilities</b>			
<b>Capital</b>			
Accumulated surplus		96 407	356 106
<b>Total Equity and Liabilities</b>		<b>96 407</b>	<b>356 106</b>

# Hangberg Educational Trust

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Annual Financial Statements for the year ended 28 February 2017

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	3	5 095 839	1 137 758
Operating expenses		(5 362 932)	(964 747)
<b>Operating (deficit) surplus</b>		<b>(267 093)</b>	<b>173 011</b>
Investment revenue	4	7 394	4 023
<b>(Deficit) surplus for the year</b>		<b>(259 699)</b>	<b>177 034</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(259 699)</b>	<b>177 034</b>



# Hangberg Educational Trust

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Annual Financial Statements for the year ended 28 February 2017

## Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
<b>Balance at 01 March 2015</b>	<b>179 072</b>	<b>179 072</b>
Surplus for the year	177 034	177 034
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>177 034</b>	<b>177 034</b>
<b>Balance at 01 March 2016</b>	<b>356 106</b>	<b>356 106</b>
Deficit for the year	(259 699)	(259 699)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(259 699)</b>	<b>(259 699)</b>
<b>Balance at 28 February 2017</b>	<b>96 407</b>	<b>96 407</b>

Note(s)

# Hangberg Educational Trust

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## Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	6	(267 093)	173 011
Interest income		7 394	4 023
<b>Net cash from operating activities</b>		<b>(259 699)</b>	<b>177 034</b>
<b>Total cash movement for the year</b>			
<b>Total cash movement for the year</b>		<b>(259 699)</b>	<b>177 034</b>
Cash at the beginning of the year		356 106	179 072
<b>Total cash at end of the year</b>	2	<b>96 407</b>	<b>356 106</b>

# Hangberg Educational Trust

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## Accounting Policies

### 1. Presentation of annual financial statements

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Revenue

Revenue is measured at the fair value of the consideration received from donations and fund raising events.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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### 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	8 622
Bank balances	96 407	347 484
	<b>96 407</b>	<b>356 106</b>

### 3. Revenue

Donations income	4 474 935	465 985
Fundraising income	573 484	537 567
School fees received	47 420	134 206
	<b>5 095 839</b>	<b>1 137 758</b>

### 4. Investment revenue

Interest revenue		
Bank	7 394	4 023

### 5. Taxation

The trust is exempt from income tax in terms of section 10(1)(cN) of the Act. The Trust have been approved as a public benefit organisation for the purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act.

### 6. Cash (used in) generated from operations

(Deficit) surplus before taxation	(259 699)	177 034
Adjustments for:		
Interest received	(7 394)	(4 023)
	<b>(267 093)</b>	<b>173 011</b>



# Hangberg Educational Trust

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## Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
<b>Income</b>			
Donation income		4 474 935	465 985
Fundraising income		573 484	537 567
School fees received		47 420	134 206
Interest received	4	7 394	4 023
		<b>5 103 233</b>	<b>1 141 781</b>
<b>Operating expenses</b>			
Development costs		4 888 343	654 514
Donations		13 000	-
Employee costs		263 499	152 595
Fundraising expenses		123 123	111 787
Insurance		6 291	-
Marketing costs		43 875	15 000
Running expenses		24 801	30 851
		<b>5 362 932</b>	<b>964 747</b>
<b>(Deficit) surplus for the year</b>		<b>(259 699)</b>	<b>177 034</b>