Smith & Associate

Stellenbosch Trail Fund NPC
(Registration number 2015/113617/08)
Financial statements
for the year ended 31 December 2020

Stellenbosch Trail Fund NPC
(Registration number: 2015/113617/08)
Financial Statements for the year ended 31 December 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To create, improve and maintain all hiking, biking and running trails in and around Stellenbosch.
Directors	RVP de Villiers H Marshall AD Botha
Registered office	3 Coetzenburg STELLENBOSCH 7600
Business address	3 Coetzenburg STELLENBOSCH 7600
Bankers	Investec bank acc nr: 62532539832
Auditors	Smith and Associates Incorporated Registered Auditor
Company registration number	2015/113617/08
Tax reference number	9032/796/23/8
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled by: M Johnson
Issued	14 January 2020
PI-score	12

Index

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

Stellenbosch Trail Fund NPC

(Registration number: 2015/113617/08)
Financial Statements for the year ended 31 December 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company 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 auditors are engaged to express an independent opinion on the financial statements.

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

The directors 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5-6.

The financial statements set out on pages 7-15, which have been prepared on the going concern basis, were approved by the board of directors on 22-01-2021 and were signed on its behalf by:

RVP de Villiers

H Marshall

AD Botha

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Stellenbosch Trail Fund NPC and its associates for the year ended 31 December 2020.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. 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 company are set out in these financial statements.

2. Share capital

Non-profit companies are not require to issue shares in terms of the Companies Act of South Africa. Therefore there was no shares issued.

3. Directors

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

Directors		
RVP de Villiers		
AD Botha	28/08/2020	Appointed
H Marshall		

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

5. Events after the reporting period and going concern

After the end of the reporting period, a National Lockdown period announced by President Cyril Ramaphosa as a national organised attempt to limit the spread of the COVID-19 virus ("lockdown").

Even though the company has not been allowed to operate from the normal business premises during this period, the company has been able to maintain some operational functionality.

Hence, the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be able to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these financial statements will remain in force for as long as it takes to restore the solvency of the company.

6. Auditors

Smith and Assosiate Incorporated continued in office as auditors for the company for 2020.

7. Liquidity and solvency

The directors have performed the required liquity and solvency tests required by the Companies Act of South Africa.

Smith & Associate Ing / Inc

GEOKTROOIEERDE - EN PROFESSIONELE REKENMEESTERS
CHARTERED AND PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Management of Stellenbosch Trail Fund NPC

Qualified Opinion

We have audited the financial statements of Stellenbosch Trail Fund NPC (the company) set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Stellenbosch Trail Fund NPC as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

Donations are a significant source of fundraising for Stellenbosch Trial Fund NPC. The directors have determined that it is impractible to establish internal controls over the collection of cash donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all cash donations were recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Stellenbosch Trail Fund NPC financial statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 15. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, [insert description of matter]. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the [insert description of other information that is misstated] affected by this matter.

H H Smith (Besturende Direkteur / Managing director); H S Whitehead
Registrasienommer / Registration number: 2008/015972/21
Praktyknommer / Practice number: 903456

Smith & Associate Ing / Inc

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Independent Auditor's Report

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smith & Associate

Smith and Associates Incorporated
HS Whitehead
Registered Auditor

Date: 22/01/2021
Stellenbosch

S a

H H Smith (Besturende Direkteur / Managing director); H S Whitehead
Registrasienommer / Registration number: 2008/015972/21
Praktyknommer / Practice number: 903456

Statement of Financial Position as at 31 December 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	156,327	34,129
Current Assets			
Trade and other receivables	3	8,312	-
Cash and cash equivalents	4	912,058	632,568
		920,370	**632,568**
Total Assets		**1,076,697**	**666,697**
Equity and Liabilities			
Equity			
Retained income		1,064,034	656,498
Liabilities			
Current Liabilities			
Trade and other payables	5	12,663	10,199
Total Equity and Liabilities		**1,076,697**	**666,697**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	6	1,246,533	668,110
Other income	7	272,455	277,809
Operating expenses		(1,111,453)	(1,128,209)
Operating profit (loss)		**407,535**	**(182,290)**
Profit (loss) for the year		**407,535**	**(182,290)**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 1 January 2019	**838,789**	**838,789**
Loss for the year	(182,290)	(182,290)
Total comprehensive loss for the year	**(182,290)**	**(182,290)**
Balance at 1 January 2020	**656,499**	**656,499**
Profit for the year	407,535	407,535
Total comprehensive income for the year	**407,535**	**407,535**
Balance at 31 December 2020	**1,064,034**	**1,064,034**

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash receipts from customers		1,506,988	945,919
Cash paid to suppliers and employees		(1,071,388)	(1,107,943)
Cash generated from (used in) operations	10	435,600	(162,024)
Net cash from operating activities		**435,600**	**(162,024)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(142,572)	(12,662)
Cash flows from financing activities			
Finance lease payments		(13,538)	(13,538)
Total cash movement for the year		**279,490**	**(188,224)**
Cash at the beginning of the year		632,568	820,792
Total cash at end of the year	4	**912,058**	**632,568**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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 company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6
Motor vehicles	Straight line	5
Office equipment	Straight line	5
IT equipment	Straight line	3

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.2 Property, plant and equipment (continued)

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 profit or loss when the item is derecognised.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Donations and sponsorships funds received are recognised when the availability of the funds are communicated to the organisation and the organisation can:

- Measure the amount of the revenue reliably; and
- It is probable that the economic benefits will flow to the organisation.

Revenue is measured at the fair value of the consideration received or receivable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Notes to the 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
Furniture and fixtures	1,700	(1,699)	1	1,700	(1,699)	1
Motor vehicles	139,995	(12,955)	127,040	-	-	-
Office equipment	13,538	(13,537)	1	13,538	(13,537)	1
IT equipment	76,608	(47,323)	29,285	60,493	(26,366)	34,127
Total	**231,841**	**(75,514)**	**156,327**	**75,731**	**(41,602)**	**34,129**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	1	-	-	1
Motor vehicles	-	139,995	(12,955)	127,040
Office equipment	1	-	-	1
IT equipment	34,127	16,115	(20,957)	29,285
	34,129	**156,110**	**(33,912)**	**156,327**

3. Trade and other receivables

Stellenbosch Square Service Station	8,312	-

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Investec account number: 10012005483	894,213	631,409
FNB Business Account : 625325398	17,742	1,056
Investec account number: 1100544354540	103	103
	912,058	**632,568**

5. Trade and other payables

PAYE	1,442	-
Provision for audit fees	11,221	10,199
	12,663	**10,199**

6. Revenue

Section 18A donations	576,500	357,000
Other donations	670,033	311,110
	1,246,533	**668,110**

7. Other income

Rental income	73,250	50,000
Parking income	193,673	164,548
Interest received	5,532	9,661
Epic event income	-	53,600
	272,455	**277,809**

Notes to the Financial Statements

Figures in Rand	2020	2019

8. Taxation

The Stellenbosch Trail Fund NPO was approved as an exempt institution during the 2018 year by the South African Revenue Services and is therefore exempt from income tax and donation tax. Exemption nr:930053257.

9. Auditor's remuneration

Fees	11,220	10,200

10. Cash generated from (used in) operations

Profit (loss) before taxation	407,535	(182,290)
Adjustments for:		
Depreciation and amortisation	33,912	19,066
Changes in working capital:		
Trade and other receivables	(8,312)	-
Trade and other payables	2,465	1,200
	435,600	**(162,024)**

11. Events after reporting period and going concern

After the end of the reporting period, a National Lockdown period was announced by President Cyril Ramaphosa as a national organised attemp to limit the spread of the COVID-19 virus ('lockdown').

Even though the company has not been allowed to operate from the normal business premises during this period, the company has been able to maintain some operational functionality.

Hence, the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these financial statements will remain in force for as long as it takes to restore the solvency of the company.

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Donations - General		670,033	311,110
Donations - 18A		576,500	357,000
	6	**1,246,533**	**668,110**
Other income			
Rental income		73,250	50,000
Parking income		193,673	164,548
Interest received		5,532	9,661
Epic - Income		-	53,600
		272,455	**277,809**
Operating expenses			
Accounting fees		36,452	27,987
Advertising		-	6,964
Auditors remuneration	9	11,220	10,200
Bank charges		980	1,377
Computer expenses		-	2,698
Depreciation	2	33,912	19,066
Employee costs		498,330	321,453
Epic Event Expenses		-	53,418
Gifts		2,445	8,324
IT expenses		-	99,479
Landbousaal expenses		215,702	233,050
Motor vehicle expenses		10,000	13,825
Pest control		84,300	170,100
Petrol and oil		7,569	29,462
Printing and stationery		2,234	8,495
Repairs and maintenance		-	1,096
Signage and flyers		20,614	12,384
Telephone and fax		12,636	-
Trees		92,959	32,230
Wildlands River Stewardship		82,100	76,601
		1,111,453	**1,128,209**
Profit (loss) for the year		**407,535**	**(182,290)**