



Shumbashaba Community Trust
(Trust no.IT196/2013)

Annual Financial Statements

for the year ended 28 February 2015

Shumbashaba Community Trust
(Reg. No. Trust no. IT196/2013)

Annual Financial Statements
for the year ended 28 February 2015

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Shumbashaba Community Trust

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Trustees' responsibility statement

The trustees are responsible for the preparation and fair presentation of the annual financial statements of Shumbashaba Community Trust, comprising the statement of financial position as at 28 February 2015 and the statements of comprehensive income, statement of changes in funds and statement of cash flows for the year ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa. In addition, the Trustees are responsible for preparing the Trustees' report.

The trustees are also responsible for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The trustees have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.


The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of Shumbashaba Community Trust, as identified in the first paragraph, were approved by the trustees on 15 January 2016 and are signed by:



Sharon Boyce
Trustee



Jacqueline Du Plessis
Trustee

Shumbashaba Community Trust

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Trustees' report

for the year ended 28 February 2015

The trustees have pleasure in presenting their report on the audited Financial Statements of the Shumbashaba Community Trust (the Trust) for the year ended 28 February 2015.

Formation of the Trust

The Trust was registered on 29 January 2013.

Objective of the Trust

The Trust is established to conduct charitable, therapeutic and/or educational activities. The objectives of the Trust are:

1. To provide comprehensive equine assisted activities and therapy programmes where horses are used to facilitate growth, learning and healing to:
 - People with disabilities
 - Victims of violence, neglect trauma; and
 - Youth at risk within socio-economically disadvantaged communities.

In order to empower them to reach their maximum potential, as provided in paragraphs 1(a), 1(c), 1(h), 2 (b) and 6(c) of the Ninth Schedule to the Income Tax Act.

2. In relation to disadvantaged communities, to:
 - Establish, administer and conduct therapeutic riding programmes for children and adults with disabilities;
 - Establish, administer and conduct equine assisted psychotherapy and counselling programmes to children and adults who have been exposed to violence and other traumatic events; and
 - Establish, administer and conduct educational programmes utilising equine assisted learning to youth at risk; and individuals who experience other challenges such as addition disorders.
3. To liaise with and co-ordinate its services with related government institutions, community structures and donor agencies and other organisations that support the main objectives of the Trust.

Financial results

The financial results of the Trust for the year ended 28 February 2015 are set out in the attached financial statements and do not require any further comment.

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Trustees

The Trustees of the Trust during the year and to the date of this report are as follows:

Ms. Sharon Boyce
Ms. Jacqueline du Plessis
Mr. Patrick Maseko
Ms. Renae Belinda Erasmus
Mr. Adrian Forlee

Business and Registered address

Shillelagh Farm
Plot 112
Knoppieslaagte Road
2021

Auditor

KPMG Inc will continue in office for the next financial year.

Business address:
KPMG Crescent
85 Empire Road
Parktown
2193

Postal address:
Private 9
Parkview
2122

Events after reporting date

There were no significant events that occurred after the reporting date.

Related party transactions

Related party transactions are set out in note 10 of the financial statements.



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Independent auditor's report

To the Trustees of Shumbashaba Community Trust

We have audited the annual financial statements of Shumbashaba Community Trust, which comprise the statement of financial position as at 28 February 2015, and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 17. These financial statements are prepared to meet requirements of the Trust Deed.

Trustees' responsibility for the financial statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements and for determining the acceptability of the basis of accounting and for such internal control as the Trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Shumbashaba Community Trust for the year ended 28 February 2015 have been prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the financial statements.

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba,
M Oddy, CAT Smit

Other Directors: ZA Beseti, LP Fourie, N Fubu,
AH Jaffer (Chairman of the Board), FA Karreem,
ME Magondo, F Mall, GM Pickering,
JN Pierce

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the purpose of the financial statements and sets out the basis of accounting. As a result the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustees.

Other Matters

As part of our audit of the financial statements for the year ended 28 February 2015, we have read the Trustees' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Trustees' Report is the responsibility of the Trustees. Based on reading this report we have not identified material inconsistencies between the Trustees' Report and the audited financial statements. However, we have not audited the Trustees' Report and accordingly do not express an opinion thereon.

KPMG Inc.

A handwritten signature in black ink, appearing to read 'M Fouché', written in a cursive style.

Per M Fouché
Chartered Accountant (SA)
Registered Auditor
Director
15 January 2016

Shumbashaba Community Trust
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Statement of financial position

At 28 February 2015

	<i>Notes</i>	2015 R	2014 R
Assets			
Equipment	2	61 013	-
Horses		1	-
Trade and other receivables	3	54 451	41 661
Cash and cash equivalents	4	151 624	24 424
Total Assets		267 089	66 085
Funds and liabilities			
Founders donations		100	100
Retained earnings/(Accumulated funds)		258 017	(54 352)
Income received in advance	5	-	27 964
Bank overdraft		8 972	4 457
Accrued expenses		-	87 916
Total funds and liabilities		267 089	66 085

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Shumbashaba Community Trust
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Statement of comprehensive income
for the year ended 28 February 2015

	<i>Notes</i>	12 months ended 28 February 2015 R	13 months ended 28 February 2014 R
Revenue	6	1 498 786	1 235 935
Other income	6.1	151 527	-
Operating expenses		(627 909)	(586 610)
Horse expenditure		(476 836)	(427 552)
Service expenditure		(151 073)	(159 058)
Gross profit		1 022 404	649 325
Other expenses	7	(710 035)	(703 677)
Profit/(deficit) before tax		312 369	(54 352)
Tax for the period		-	-
Profit/(deficit) for the year		312 369	(54 352)

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Shumbashaba Community Trust
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Statement of changes in funds
for the year ended 28 February 2015

	Retained earnings/ (Accumulated funds) R
Deficit for the period	(54 352)
Balance at 28 February 2014	<hr style="width: 100%; border: 0.5px solid black;"/> (54 352)
Profit for the period	312 369
Balance at 28 February 2015	<hr style="width: 100%; border: 0.5px solid black;"/> 258 017 <hr style="width: 100%; border: 0.5px solid black;"/>



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Statement of cash flows
for the year ended 28 February 2015

	<i>Note</i>	2015 R	2014 R
Cash flows from operating activities			
Cash generated from operations	8	<u>187 419</u>	<u>19 867</u>
Cash flows from investing activities			
Founders' donation			100
Acquisition of equipment		<u>(64 734)</u>	-
Net cash flows from investing activities		<u>(64 734)</u>	<u>100</u>
			-
Net increase in cash and cash equivalents		122 685	19 967
Cash and cash equivalents at beginning of period		<u>19 967</u>	-
Cash and cash equivalents at end of period		<u>142 652</u>	<u>19 967</u>

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Notes to the financial statements

for the year ended 28 February 2015

1. Principal accounting policies

The following are the principal accounting policies used by the Trust.

1.1. Purpose of the financial statements

These financial statements are prepared to meet the requirements of the Trust Deed.

1.2. Basis of preparation

The financial statements are prepared in accordance with the basis of accounting set out below. The Trustees consider this basis suitable to meet the financial provisions of the Trust Deed.

1.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except where otherwise indicated.

1.4. Functional and presentation currency

The financial statements have been presented in Rands, which is the Trust's functional currency. All financial information presented has been rounded to the nearest Rand.

1.5. Equipment

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Equipment is depreciated from the date it is available for use.

Depreciation is calculated to write off the cost of items of equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

The estimated useful lives for equipment is 10 years.



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Notes to the financial statement (continued)

for the year ended 28 February 2015

1. Principal accounting policies (continued)

1.5 Equipment (continued)

Any gain or loss on disposal of an item of equipment is recognised in profit or loss. The gain or loss is calculated as proceeds less carrying value.

1.6 Horses

Donated horses are measured at a nominal value of R1.

Purchased horses are measured at cost and are not depreciated.

Horses are derecognised when sold or when the animal dies.

Any gain or loss on disposal of horses is recognised in profit and loss and is calculated as proceeds less cost or nominal value.

1.7 Financial instruments

Recognition

A financial instrument is recognised if the Trust becomes a party to the contractual provision of the instrument.

Measurement

Financial instruments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Subsequent to initial recognition these instruments are measured as set out below:

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and petty cash.

Cash and cash equivalents are subsequently measured at amortised cost using effective interest method. The carrying amount approximates fair value.

Account receivable

Accounts receivable are carried at amortised cost using the effective interest method. The carrying amount approximates fair value.

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Notes to Financial statement (continued)
for the year ended 28 February 2015

1. Principal accounting policies

Accounts payable

Account payable are carried at amortised cost.

1.8 Revenue

Revenue comprises revenue from service revenue, donations, grants and t-shirt sales.

Service revenue

Service revenue is recognised on an accrual basis.

Donations and grants

Donations and grants are recognised on an accrual basis.

T-shirt sales

T-shirt sales are recognised on a cash basis.

1.9 Other income

Other income comprises income from Race nights, MITF, other events held by the Trust. Other income is recognised on a cash basis



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Notes to Financial statement (continued)

for the year ended 28 February 2015

2. Equipment

	2015 R
Additions	64 733
Balance at 28 February 2015	<u>64 733</u>
<i>Accumulated depreciation and impairment losses</i>	
Depreciation for the period	3 720
Balance at 28 February 2015	<u>3 720</u>
Carrying amount at 28 February 2015	<u>61 013</u>

	2015 R	2014 R
3. Accounts receivable		
Accounts receivable comprises of amounts that are owed to the Trust its customers	54 451	41 661
4. Cash and cash equivalents		
Current account at FNB	145 045	20 564
Call account at FNB	1 654	1 200
Petty Cash	4 925	2 660
	<u>151 624</u>	<u>24 424</u>
5. Income received in advance		
This comprises amounts that were paid by the Trust's customers that were above the normal rates charged by the Trust.	-	27 964
	<u>-</u>	<u>27 964</u>



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Notes to Financial Statements (continued)

for the year ended 28 February 2015

	2015 R	2014 R
6. Revenue		
Service revenue	889 694	827 555
T-shirt sales	-	4 080
Donations	414 974	311 103
Grants	194 118	93 197
	<u>1 498 786</u>	<u>1 235 935</u>
6.1 Other income		
Race nights	25 386	-
MITF	11 187	-
Bond Ball	114 000	-
Interest income	954	-
	<u>151 527</u>	<u>-</u>
7. Other Expenses		
Administration costs	221 981	160 412
Book keeping fees	24 000	24 550
Bank charges	6 309	7 984
Bad debts	28 190	-
Computer expenses	22 768	11 988
Medical aid	4 927	-
Depreciation	3 720	-
Insurance	3 998	5 408
Legal fees	-	787
Postage and courier	-	30
Rent	86 500	79 200
Staff uniforms	6 293	-
Stationery and books	7 754	4 399
Sundry expenses	21 252	7 865
Telephone and cell phone	1 202	18 201
Travel and accommodation	5 068	-
Salaries and wages	488 054	543 265
	<u>710 035</u>	<u>703 677</u>

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Notes to Financial Statements (continued)

for the year ended 28 February 2015

	2015 R	2014 R
8. Cash generated from operations		
Profit(deficit) before taxations	312 369	(54 352)
Adjustment for:		
Depreciation	3 720	-
Bad debts	28 190	
Changes in working capital:	(156 860)	(74 219)
Increase in accounts receivable	(40 980)	(41 661)
Increase/ (decrease) in income received in advance	(27 964)	27 964
Increase/ (decrease) in accrued expenses	(87 916)	87 916
	187 419	19 867

9. Taxation

A provision for taxation has not been made as the Trust is exempted from tax in terms of section 37A of the Income Tax Act.

10. Related parties

Related parties to the Trust include:

- All of the trustees of the Trust
- All of the close members of the Trustees of the Trust.

Related party transactions with Shumbashaba Community Trust include:

Rental

The premises where Shumbashaba Community Trust is housed is rented from one of the Trustees close family member.

The transaction is not arm's length. The rent charged is R86 500 per annum. This is below the market value of approximately R249 840 per annum.

Founders donation

The founders of the Trust made a donation to the Trust to the sum of R100

There were no other related party transactions.

11. Financial risk

Financial risk management

The Trust's financial instruments consists mainly of cash and cash equivalents, accounts receivable and bank overdraft. Financial instruments are held by reputable institutions.

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Notes to Financial Statements (continued)

for the year ended 28 February 2015

Financial risk (continued)

Credit risk

The trust is exposed to credit risk as it has amounts owing from debtors. The risk is minimal as the amounts of the debtors were recovered after year end.

Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet financial commitments. Cash flow are monitored regularly to ensure cash resources are adequate to meet funding commitments.

12. Subsequent Event

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of these financials.

