

**THRIVE HOUT BAY**

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**REGISTRATION NUMBER NPO 098971**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Herboth Accounting Services CC  
D18 Mainstream Centre, Hout Bay, 7806  
☎ +27 (0)21-790 3343  
@ info@herbothaccounting.co.za  
✉ P.O. Box 26226, Hout Bay, 7872

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### GENERAL INFORMATION

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<b>Trustees</b>	L.G. Banning P. Robinson P. Msamo D. Nordien B.L. Byrne C. McGahey H. Adendorff
<b>Nature of business</b>	Community support projects
<b>Postal address</b>	Valley Nursery Hout Bay 7806
<b>Accounting officer</b>	Holger Herboth Southern African Institute for Business Accountants BAP(SA) 4372 South African Institute of Tax Professionals SAIT 43540845 SARS tax practitioner PR-0093767

### INDEX

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

	Page
General information	1
Trustees Responsibilities and Approval	2
Report of the Accounting Officer	3
Statement of Financial Position	4
Income Statement	5
Statement of Cash Flows	6
Accounting Policies	7 - 9
Notes to the Annual Financial Statements	10 - 12

## THRIVE HOUT BAY

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### TRUSTEES' RESPONSIBILITIES AND APPROVAL

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The board of trustees is required 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 its responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The board of trustees acknowledges that it is responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the board of trustees to meet its 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the organisation 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 of trustees is of the opinion 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 of trustees is satisfied that the organisation has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, have been approved by the trustees on 10 April 2019 and are signed accordingly:

  
L.G. Banning

# HERBOTH ACCOUNTING SERVICES CC

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## REPORT OF THE ACCOUNTING OFFICER

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To the trustees of Thrive Hout Bay

We have performed the duties of accounting officer to Thrive Hout Bay for the year ended 28 February 2019. No audit is required to be carried out and no audit was conducted. Accordingly we do not express an opinion or any other form of assurance on the annual financial statements.

The annual financial statements set out on pages 4 to 11 are the responsibility of the trustees. We have compiled the annual financial statements from information and explanations received from the trustees.

We have determined that the annual financial statements are in agreement with the accounting records and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as we considered necessary in the circumstances. We have also reviewed the accounting policies which have been represented to us as having been applied in the preparation of the annual financial statements and we consider that they are appropriate to the organisation.

*To audit/ours*

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Holger Herboth

Southern African Institute for Business Accountants

BAP(SA) 4372

South African Institute of Tax Professionals

SAIT 43540845

SARS tax practitioner

PR-0093767

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10 April 2019

Date

**THRIVE HOUT BAY**

REGISTRATION NUMBER NPO 098971

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

**STATEMENT OF FINANCIAL POSITION**

Amounts in Rand	Note(s)	2019	2018
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	2	<u>30 736</u>	<u>48 049</u>
<b>Current assets</b>			
Cash and cash equivalents	3	<u>415 381</u>	<u>297 415</u>
<b>TOTAL ASSETS</b>		<u>446 117</u>	<u>345 464</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained income/ (Accumulated loss)		<u>303 354</u>	<u>343 019</u>
<b>TOTAL EQUITY</b>		<u>303 354</u>	<u>343 019</u>
<b>Non-current liabilities</b>			
Related party loans	4	<u>-</u>	<u>2 444</u>
<b>Current liabilities</b>			
Trade and other payables	5	<u>142 763</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>142 763</u>	<u>2 444</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>446 117</u>	<u>345 464</u>

**THRIVE HOUT BAY**

**REGISTRATION NUMBER NPO 098971**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**DETAILED INCOME STATEMENT**

Amounts in Rand	Note(s)	2019	2018
<b>Revenue</b>			
Sales	6	<u>384 186</u>	<u>246 067</u>
<b>Cost of sales</b>			
Purchases	7	<u>453 683</u>	<u>320 989</u>
<b>Gross Profit</b>		(69 497)	(74 922)
<b>Other income</b>			
Rent received		18 000	7 000
Fundraising income		5 751	74 611
Interest received - banks		12 463	13 992
Donations received	8	<u>441 040</u>	<u>309 011</u>
		<u>407 757</u>	<u>329 692</u>
<b>Expenses</b>			
Accounting fees		10 724	-
Advertising, promotions and marketing		3 713	-
Audit fees		4 370	-
Bank charges		3 868	3 762
Cleaning material, services & consumables		-	318
Computer expenses		286	586
Courier, postage and transport		509	-
Depreciation		17 313	15 123
Entertainment and gifts		1 421	2 642
Event expenses		9 294	22 891
Fines and penalties		918	-
Office expenses		503	-
Other expenses		-	5 650
Insurances, licences and permits		8 417	6 433
Motor vehicle expenses		38 075	5 159
Printing and stationery		2 319	1 513
Protective clothing		2 097	-
Rent paid		8 750	8 015
Repairs and maintenance		-	24 207
Replacement of tools and small equipment		-	364
Salaries, wages and related staff costs		329 042	147 880
Telephone, fax and internet		<u>5 806</u>	<u>12 360</u>
		<u>447 423</u>	<u>256 903</u>
<b>Net income/ (loss) for the year</b>		(39 666)	72 789
<b>Retained income/ (Accumulated loss) at beginning of year</b>		<u>343 019</u>	<u>270 230</u>
<b>Retained income/ (Accumulated loss) at end of year</b>		<u>303 354</u>	<u>343 019</u>

**THRIVE HOUT BAY**

REGISTRATION NUMBER NPO 098971

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

**STATEMENT OF CASH FLOWS**

Amounts in Rand	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
Cash receipts from customers		848 977	636 689
Cash paid to suppliers and employees		741 030	564 211
<b>Cash generated from operations</b>	9	107 947	72 478
Interest received	8	12 463	13 992
<b>Net cash from operating activities</b>		120 410	86 470
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(32 000)
<b>Net cash from investing activities</b>		-	(32 000)
<b>Cash flows from financing activities</b>			
Movement in related party loans	4	(2 444)	-
<b>Net cash from financing activities</b>		(2 444)	-
Total cash movement for the year		117 966	54 470
Cash at the beginning of the year		297 415	242 945
<b>Total cash at end of the year</b>	3	415 381	297 415

## **THRIVE HOUT BAY**

**REGISTRATION NUMBER NPO 098971**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

### **ACCOUNTING POLICIES**

#### **1. Presentation of financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

These principle accounting policies are consistent with the previous year.

##### **1.1. Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, or for rental to others or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is shown at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

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 is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Cost includes all costs incurred to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided in a manner that reflects the pattern of consumption of economic benefits using the straight-line method to write down the cost, less estimated residual value, over the useful life of the property, plant and equipment as follows:

If the major components of an item of property, plant and equipment have significant different patterns of consumption of economic benefits, the cost of the asset is allocated to its major component and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Minor items of fixed assets, individually costing not more than R 7 000.00 are not capitalised and written off as an expense in the year of acquisition.

##### **1.2. Financial instruments**

###### **Initial measurement**

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.



## **THRIVE HOUT BAY**

**REGISTRATION NUMBER NPO 098971**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

### **ACCOUNTING POLICIES**

#### **Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments 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 profit or loss.

#### **Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

### **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.

Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to, or recovered from, the tax authorities, using the tax rates that have been enacted or substantively enacted by the reporting date.

#### **Tax expense**

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. Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### **Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease charges are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

#### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the term.

## **THRIVE HOUT BAY**

**REGISTRATION NUMBER NPO 098971**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

### **ACCOUNTING POLICIES**

#### **1.5. Inventories**

Inventories are measured at the lower of cost and net realisable value less costs to complete and sell, determined on the first-in-first-out basis.

#### **1.6. Provisions**

Provisions are recognised when there is an obligation at the reporting date as a result of a past event, it is probable to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably.

#### **1.7. Revenue**

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

Interest is recognised using the effective interest rate method.

#### **1.8. Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### **1.9. Foreign exchange**

##### **Foreign exchange transactions**

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

A foreign currency transaction is recorded on initial recognition in the functional currency of the business, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

**THRIVE HOUT BAY**

REGISTRATION NUMBER NPO 098971

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Amounts in Rand

	2019	2018
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**2. Property, plant and equipment**

	Cost/ Valuation	Accumulated depreciation	Net book value	Net book value
Motor vehicles	32 000	10 608	21 392	27 792
Machinery and equipment	43 652	34 308	9 344	20 257
Computer equipment	9 384	9 384	-	-
	85 036	54 301	30 736	48 049

**3. Cash and cash equivalents**

Cash and cash equivalents	415 381	297 415
Bank overdrafts	-	-
	415 381	297 415
Current assets	415 381	297 415
Current liabilities	-	-
	415 381	297 415

**4. Related party loans**

B. Lankers Byrne	-	(2 444)
Non-current assets	-	-
Non-current liabilities	-	(2 444)
	-	(2 444)

The loan is unsecured, bears interest at variable rates and has no fixed terms of repayment.

By the nature of the loan it should be regarded as long-term.

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REGISTRATION NUMBER NPO 098971

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Amounts in Rand	2019	2018
<b>5. Trade and other payables</b>		
Salary and wages/ PAYE control accounts	782	-
Deferred income/ Deposits	141 981	-
	<u>142 763</u>	<u>-</u>
<b>Deferred income/ Deposits</b>		
National Lottery Commission	141 981	-
	<u>141 981</u>	<u>-</u>
<b>6. Revenue</b>		
Income - Sustainable schools project	70 507	-
Income - Local food gardens project	1 525	7 020
Income - Invasive clearing project	179 620	-
Income - Waste minimisation project	132 534	239 047
	<u>384 186</u>	<u>246 067</u>
<b>7. Purchases</b>		
Purchases/ Cost of Sales - Sustainable schools project	94 263	64 644
Purchases/ Cost of Sales - Local foods garden project	56 829	46 964
Purchases/ Cost of Sales - Invasive clearing project	150 129	123 644
Purchases/ Cost of Sales - Waste minimisation project	152 463	84 433
Purchases/ Cost of Sales - Ubuntu gardens project	-	1 304
	<u>453 683</u>	<u>320 989</u>
<b>8. Donations</b>		
Sandra Van Hoostraten	24 000	40 800
National Lottery Commission	142 769	-
DG Murray Trust	150 000	-
Other unrestricted donations	124 270	268 211
	<u>441 040</u>	<u>309 011</u>
<b>9. Investment income</b>		
Interest received - banks	12 463	13 992

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**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Amounts in Rand	2019	2018
<b>10. Cash generated from operations</b>		
Net income/ (loss) for the year	(39 666)	72 789
<b>Adjustments for:</b>		
Depreciation	17 313	15 123
Interest received	(12 463)	(13 992)
<b>Changes in working capital:</b>		
Trade and other payables	142 763	(1 442)
	<u>107 947</u>	<u>72 478</u>