

**RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO**

**AUDITED FINANCIAL STATEMENTS**

**AT**

**28 FEBRUARY 2017**



**BARNARD**

Geoktrooieerde Rekenmeesters  
Chartered Accountants

**RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO**

**AUDITED FINANCIAL STATEMENTS - 28 FEBRUARY 2017**

**ADDRESS**

P.O. Box 729  
Montagu  
6720

**BANKERS**

ABSA Bank - Montagu

**AUDITORS**

Barnard Chartered Accountants  
7 Church Street  
Robertson  
6705

<b>CONTENTS</b>	<b>PAGE</b>
Statement of responsibility	2
Report of the independent auditor	3 - 4
Statement of financial position	5
Statement of comprehensive income	6
Cash flow statement	7
Notes to the annual financial statements	8 - 10

**RURAL ARTS DEVELOPMENT FOUNDATION  
NPO NUMBER: 097-741NPO**

**STATEMENT OF RESPONSIBILITY**

**FOR THE YEAR ENDED 28 FEBRUARY 2017**

The management Committee is responsible for the preparation, integrity and fair presentation of the annual financial statements of Rural Arts Development Foundation. The annual financial statements presented on pages 3 to 10 have been prepared in accordance with International Financial Reporting Standard for Small and Medium Sized Entities, and include amounts based on judgements and estimates made by management. Management Committee also prepared the other information included in the annual reports and are responsible for both its accuracy and its consistency with the annual financial statements.

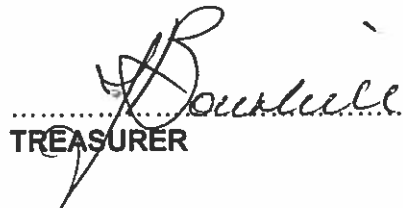
The going concern basis has been adopted in preparing the annual financial statements. The Management Committee have no reason to believe that the organisation will not be a going concern in the foreseeable future based on forecasts and available cash resources. These annual financial statements support the viability of the Organisation.

The annual financial statements have been audited by the independent accounting firm, Barnard Chartered Accountants which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Managing Committee and all other meetings. The Management Committee believes that all representations made to the independent auditors during their audit are valid and appropriate. Barnard's audit report is presented on page 3 and 4.

This report was approved by the Management and is signed on their behalf by:



.....  
**CHAIRPERSON**



.....  
**TREASURER**

.....  
**Date**



**BARNARD**

Geoktrooieerde Rekenmeesters  
Chartered Accountants

- 3 -

6 April 2017

## REPORT OF THE INDEPENDENT AUDITORS

### TO THE MANAGEMENT COMMITTEE OF

### RURAL ARTS DEVELOPMENT FOUNDATION

NPO NUMBER: 097-741NPO

We have audited the annual financial statements of Rural Arts Development Foundation which comprise the statement of financial position as at 28 February 2017, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 10.

#### Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these annual 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 whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, 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 the directors, as well as evaluating the overall presentation of the annual 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 annual financial statements fairly present, in all material respects, the financial position of the Organisation as at 28 February 2017 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium Sized Entities.

### **Emphasis of Matter**

Without qualifying our audit opinion, we would like to emphasise that the annual financial statements of Rural Arts Development Foundation have been prepared, in all material aspects, in accordance with the basis of accounting described in note 1 to the annual financial statements and do not necessarily comply with all the disclosure requirements of 'International Financial Reporting Standards for Small and Medium-sized Entities'.



**BARNARD**  
**CHARTERED ACCOUNTANT (SA)**  
**REGISTERD AUDITORS**

RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

	Notes	2017 R	2016 R
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Fixed assets	2	29,678.77	38,413.14
<b>Current assets</b>			
Cash in Bank and on hand	3	65,340.50	411.54
		<u>95,019.27</u>	<u>38,824.68</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated surplus/(deficit)		10,367.68	(44,124.41)
Balance at 1 March		(44,124.41)	(44,083.21)
Nett surplus/(deficit) for the year		54,492.09	(41.20)
<b>Non-current liabilities</b>			
Interest free loans	4	84,651.59	81,399.09
<b>Current liabilities</b>			
Creditors	5	-	1,550.00
		<u>95,019.27</u>	<u>38,824.68</u>

**RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
28 FEBRUARY 2017**

	2017 R	2016 R
<b>INCOME</b>	430,318.24	342,270.09
Donations received	248,299.55	292,997.39
Entrance fees	33,890.00	42,610.00
Event income	4,890.00	6,579.72
Sponsorship	143,160.00	-
Interest received	78.69	82.98
<b>LESS: EXPENSES</b>	375,826.15	342,311.29
Accommodation fees	9,884.00	28,117.50
Accounting fees	16,540.02	9,691.50
Adjudicators	32,700.00	33,500.00
Bank charges	5,667.93	4,467.30
Cleaning costs	1,130.00	-
Commission	300.00	-
Depreciation	15,890.37	14,071.88
Entertainment	3,050.48	10,598.99
Event requisites	16,093.96	17,237.81
Fuel	9,520.23	4,490.45
Gifts	-	495.00
Interest paid	0.02	-
Licences and subscription fees	-	930.00
Management fees	4,500.00	7,250.00
Marketing and advertising	7,090.40	10,590.58
Office supplies	2,605.20	3,809.40
Performers' requisities	10,940.84	12,551.00
Postage and telephone	7,028.86	1,832.76
Printing and stationery	20,007.00	11,519.56
Professional fees - Lights and Sound	19,050.00	20,200.00
Professional fees - Other	34,112.00	-
Professional fees - Teachers	80,862.00	84,187.80
Project expenses	25,471.24	7,392.36
Rent paid	21,184.00	20,382.00
Repairs and maintenance	10,217.60	5,126.00
Transport	21,320.00	25,510.00
Trophies & prizes	660.00	2,296.70
Tuition fees	-	6,062.70
Nett surplus/(deficit) before other income	54,492.09	(41.20)
Plus: Other income		
Assets received as donations	-	-
<b>NETT SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>54,492.09</b>	<b>(41.20)</b>

RURAL ARTS DEVELOPMENT FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 R	2016 R
<b>Net cash inflow/(outflow) from operating activities</b>		68,832.46	12,430.68
Gross receipts		430,239.55	342,187.11
Gross payments		361,485.76	329,839.41
Cash generated from operations	6	68,753.79	12,347.70
Interest received		78.69	82.98
Interest paid		(0.02)	-
<b>Net cash inflow/(outflow) from investing activities</b>		(7,156.00)	(5,779.00)
Purchase of fixed assets		(7,156.00)	(5,779.00)
<b>Net cash inflow/(outflow) from financing activities</b>		3,252.50	(11,320.00)
Proceeds from other loans		3,252.50	(11,320.00)
Net increase/(decrease) in cash and cash equivalents		64,928.96	(4,668.32)
Cash and cash equivalents at beginning of year		411.54	5,079.86
<b>Cash and cash equivalents at end of year</b>	3	<b>65,340.50</b>	<b>411.54</b>



RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 28 FEBRUARY 2017

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**1. ACCOUNTING POLICIES**

The financial statements are prepared on the historical cost basis which is consistent with previous years. The following principal accounting policies are incorporated.

**1.1 Fixed Assets**

Fixed assets are stated at historical cost less depreciation. Depreciation is calculated on the reducing straight line method to write off the cost of each asset over its estimated useful life as follows:

Musical instruments	: 5 years
Banners, bunting and promotion material	: 5 years
Band uniforms and drama costumes	: 5 years
Sound system	: 5 years

**1.2 Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

**1.3 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand, deposits with banks, savings and cheque accounts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**3. CASH IN BANK AND ON HAND**

	2017 R	2016 R
ABSA bank	425.81	404.14
ABSA bank	64,898.24	-
Cash on hand	16.45	7.40
	<u>65,340.50</u>	<u>411.54</u>

**4. INTEREST FREE LOANS**

Loan - Gooderson H & R	84,651.59	79,707.39
Loan - Marvellous Montagu	-	1,691.70
These loans are unsecured and bear no interest.		
	<u>84,651.59</u>	<u>81,399.09</u>

RURAL ARTS DEVELOPMENT FOUNDATION

NOTES . . .

(continued)

2. FIXED ASSETS

	Musical Instruments R	Banners, Bunting & Promo materials R	Band uniforms & Drama costumes R	Sound System R	Total R
Balance 1 March	17,732.54	14,333.51	3,466.67	2,880.42	38,413.14
Cost price	30,267.50	28,946.67	8,875.00	3,863.00	71,952.17
Less: Accumulated depreciation	(12,534.96)	(14,613.16)	(5,408.33)	(982.58)	(33,539.03)
Plus: Additions	6,956.00	-	-	200.00	7,156.00
Less: Depreciation	(7,375.10)	(5,806.00)	(1,900.00)	(809.27)	(15,890.37)
Balance 28 February	17,313.44	8,527.51	1,566.67	2,271.15	29,678.77
Cost price	37,223.50	28,946.67	8,875.00	4,063.00	79,108.17
Less: Accumulated depreciation	(19,910.06)	(20,419.16)	(7,308.33)	(1,791.85)	(49,429.40)

RURAL ARTS DEVELOPMENT FOUNDATION  
REGISTRATION NUMBER 097-741NPO

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 28 FEBRUARY 2017

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	2017 R	2016 R
<b>5. CREDITORS</b>		
Legacy Studio	<u>-</u>	<u>1,550.00</u>
<b>6. TAXATION</b>		
No provision for tax has been made as the association's income is exempt in terms of section 10(1) (e) of the Income Tax Act.		
<b>7. CASH GENERATED FROM OPERATIONS</b>		
Nett surplus/(deficit) for the year	54,492.09	(41.20)
Adjustments for:	15,811.70	13,988.90
Depreciation	15,890.37	14,071.88
Interest received	(78.69)	(82.98)
Interest paid	0.02	-
Operating profit before working capital changes	70,303.79	13,947.70
Working capital changes	(1,550.00)	(1,600.00)
(Increase)/Decrease in trade- and other receivables	-	-
Increase/(Decrease) in trade- and other payables	(1,550.00)	(1,600.00)
<b>Cash generated from operations</b>	<u><u>68,753.79</u></u>	<u><u>12,347.70</u></u>

