

Project Playground Trust
Registration Number: IT57/2011
Annual Financial Statements
For the year ended 28 February 2018

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Type of trust	Non Profit Organisation
Trustees	Kerstin Elisabeth Akerstedt Tori Frances Geeling Frida Carina Brigitta Vesterberg Lorella Campi
Registered office	Suite 4 Constantia House Steenberg Office Park Constantia 7800
Business address	1 Ndabeni Street Langa 7455
Postal address	PO Box 669 Constantia 7848
Auditors	Watson Incorporated Chartered Accountants (SA) Registered Auditors
Trust registration number	IT57/2011

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Index

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

	Page
Independent Auditor's Report	3 - 4
Trustees' Responsibilities and Approval	5
Trustees' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Financial Statements	13 - 14
The following supplementary information does not form part of the financial statements and is unaudited:	
Statement of Financial Performance	15

Independent Auditor's Report

To the trustee of Project Playground Trust

Opinion

We have audited the Financial Statements of Project Playground Trust set out on pages 7 to 14, which comprise the Statement of Financial Position as at 28 February 2018, 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 Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Project Playground Trust as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust properties control act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 trust 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust properties control act, which we obtained prior to the date of this report. 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. We have nothing to report in this regard.

Responsibilities of the trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust properties control act, and 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.

In preparing the 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 Financial Statements

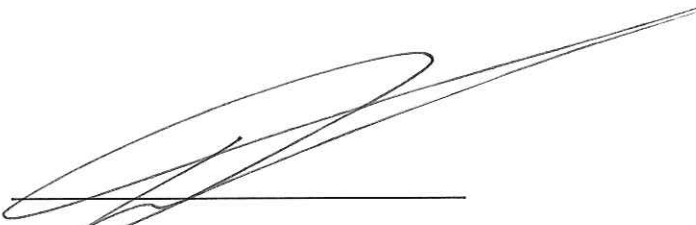
Independent Auditor's Report

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 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 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 trust 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 trustees 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.



Trevor G.A Watson
Chartered Accountants (SA)
Registered Auditors
23 July 2018
Constantia

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Trustees' Responsibilities and Approval

The trustees are required 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 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

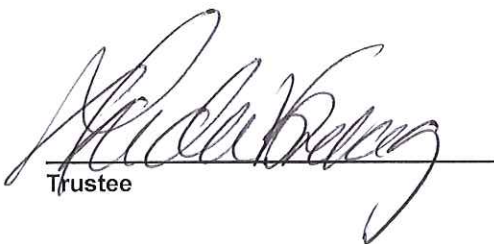
The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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 focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 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 2019 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 financial statements



Trustee

Constantia

23 July 2018

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Trustees' Report

The trustees have pleasure in submitting their report on the financial statements of Project Playground Trust for the year ended 28 February 2018.

1. Nature of business

Project Playground Trust was formed in South Africa with interests in the Non-profit industry. The trust operates in South Africa.

There have been no material changes to the nature of the trust's business from the prior year.

2. 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. 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 trust are set out in these financial statements.

3. Trustees

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

Trustees

Kerstin Elisabeth Akerstedt

Tori Frances Geeling

Frida Carina Brigitta Vesterberg

Lorella Campi

4. Property, plant and equipment

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

At 28 February 2018 the trust's investment in property, plant and equipment amounted to R185,617 (2017:R72,892), of which R166,000 (2017: R-) was added in the current year through additions.

5. 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.

6. Auditors

Watson Incorporated continued in office as auditors for the trust for 2018.

They will continue in office for the 2019 financial year.

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	185,617	72,892
Current Assets			
Trade and other receivables	3	5,965	60,835
Cash and cash equivalents	4	7,726,369	6,980,295
		7,732,334	7,041,130
Total Assets		7,917,951	7,114,022
Funds and Liabilities			
Funds			
Accumulated surplus		3,781,477	3,199,502
Liabilities			
Current Liabilities			
Other current liabilities	5	4,136,474	3,914,520
Total Funds and Liabilities		7,917,951	7,114,022

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Donations received	6	8,268,388	9,249,574
Other income	7	69,597	-
Operating expenses		(8,048,674)	(8,197,277)
Operating surplus	8	289,311	1,052,297
Investment revenue	11	354,009	322,786
Surplus for the year		643,320	1,375,083
		-	-
Total comprehensive surplus for the year		643,320	1,375,083

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2016	2,662,419	2,662,419
Surplus for the year	1,375,083	1,375,083
	-	-
Total comprehensive income for the year	1,375,083	1,375,083
Prior year adjustment to retained earnings	(838,000)	(838,000)
Total contributions by and distributions to owners of company recognised directly in equity	(838,000)	(838,000)
Balance at 01 March 2017	3,199,502	3,199,502
Surplus for the year	643,320	643,320
	-	-
Total comprehensive income for the year	643,320	643,320
VAT Claims disallowed for prior years	(61,345)	(61,345)
Total contributions by and distributions to owners of company recognised directly in equity	(61,345)	(61,345)
Balance at 28 February 2018	3,781,477	3,781,477

Note(s)

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash retained after non profit activities	12	238,911	259,846
Interest income		354,009	322,786
Net cash from operating activities		592,920	582,632
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(166,000)	-
Carrying value of fixed assets sold	2	97,200	-
Net cash from investing activities		(68,800)	-
Cash flows from financing activities			
Repayment of other current liabilities		221,954	879,168
Net cash from financing activities		221,954	879,168
Total cash movement for the year		746,074	1,461,800
Cash at the beginning of the year		6,980,295	5,518,494
Total cash at end of the year	4	7,726,369	6,980,294

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or 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 carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided 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:

Item	Depreciation method	Average useful life
Container	Straight line	10 Years
Furniture and fixtures	Straight line	6 Years
Motor vehicles	Straight line	5 Years
Computer equipment	Straight line	3 Years

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

Land is not depreciated

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.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1.3 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.

Operating leases – lessee

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

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Accounting Policies

1.4 Impairment of assets

The trust assesses at each reporting date whether there is any indication that property, plant and equipment 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 surplus or deficit.

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 surplus or deficit.

1.5 Employee benefits

1.6 Government grants

Project Playground Trust receives grants from the Department of Social Development and the Department of Sports and Cultural Affairs.

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.7 Revenue

Project Playground Trust receives revenue in the form of donations.

Revenue is recognised to the extent that the trust 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 trust. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Notes to the Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Container	46,591	(18,248)	28,343	46,591	(13,589)	33,002
Furniture and fixtures	21,454	(19,113)	2,341	21,454	(15,537)	5,917
Motor vehicles	166,000	(11,067)	154,933	127,400	(93,427)	33,973
IT equipment	10,782	(10,782)	-	10,782	(10,782)	-
Total	244,827	(59,210)	185,617	206,227	(133,335)	72,892

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Container	33,002	-	-	(4,659)	28,343
Furniture and fixtures	5,917	-	-	(3,576)	2,341
Motor vehicles	33,973	166,000	(27,603)	(17,437)	154,933
	72,892	166,000	(27,603)	(25,672)	185,617

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Total
Container	37,661	(4,659)	33,002
Furniture and fixtures	9,493	(3,576)	5,917
Motor vehicles	59,453	(25,480)	33,973
	106,607	(33,715)	72,892

3. Trade and other receivables

VAT	5,965	60,835
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	31,238	17,293
Bank balances	1,727,423	199,303
Short-term deposits	5,967,708	6,763,699
	7,726,369	6,980,295

5. Other current liabilities

At fair value		
Future Project Liability	4,136,474	3,914,520
Current liabilities		
At fair value	4,136,474	3,914,520

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Notes to the Financial Statements

Figures in Rand	2018	2017
6. Revenue		
Donations received	7,983,238	9,096,338
Department of Social Development	103,943	93,236
Department of Sports and Cultural Affairs	41,207	60,000
Lottery SA	140,000	-
	8,268,388	9,249,574
7. Other income		
Profit and loss on sale of assets and liabilities	69,597	-
8. Operating profit		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	208,927	210,606
Property, plant and equipment	69,597	-
Depreciation on property, plant and equipment	25,672	33,715
Employee costs	4,946,407	4,487,861
9. Employee cost		
Employee costs		
Basic	4,351,683	3,978,291
PAYE, UIF and SDL	594,724	509,570
	4,946,407	4,487,861
10. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	25,672	33,715
11. Investment revenue		
Interest revenue		
Bank	354,009	322,786
12. Cash generated from operations		
Surplus before taxation	643,320	1,375,083
Adjustments for:		
Depreciation and amortisation	25,672	33,715
Surplus on sale of assets	(69,597)	-
Interest received	(354,009)	(322,786)
Prior year adjustment to retained earnings	(61,344)	(838,000)
Changes in working capital:		
Trade and other receivables	54,869	11,834
	238,911	259,846

Project Playground Trust

(Registration number: IT57/2011)

Financial Statements for the year ended 28 February 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Revenue			
Department of Sports and Cultural Affairs		41,207	60,000
Lottery SA		140,000	-
Fundraising grants from donors		7,983,238	9,096,338
Department of Social Development		103,943	93,236
	6	8,268,388	9,249,574
Other income			
Interest received	11	354,009	322,786
Gains on disposal of assets		69,597	-
		423,606	322,786
Operating expenses			
Accounting fees		(38,404)	(37,495)
Activities expense		-	(187,780)
Advertising and marketing		(139,783)	(258,138)
Bank charges		(26,131)	(26,213)
Class expenses		(119,045)	(151,862)
Cleaning		(30,658)	(24,910)
Computer expenses		(23,102)	(52,604)
Depreciation		(25,672)	(33,715)
Education fund		(28,577)	(76,800)
Employee costs		(4,946,407)	(4,487,861)
Entertainment		-	(8,048)
Event expenses		(153,655)	(135,291)
Excursion expenses		(96,055)	(128,949)
Food		(437,475)	(366,859)
General expenses		(49,083)	(48,437)
Gifts		-	(2,200)
Insurance		(33,462)	(31,343)
Kitchen expenses		(23,382)	(28,820)
Legal expenses		(73,916)	(38,000)
Medical expenses		(450)	-
Motor vehicle expenses		(507)	(17,197)
Office expenses		(142,445)	(148,703)
Printing and stationery		(448)	(63,770)
Rent paid		(208,927)	(210,606)
Repairs and maintenance		(34,630)	(114,202)
Security		(199,800)	(203,057)
Staff meetings & workshops		(7,153)	(10,600)
Subscriptions		(9,030)	(4,245)
Telephone and fax		(132,191)	(137,589)
Therapy and counselling		(70,001)	(50,238)
Training		(55,839)	(39,110)
Transport		(555,630)	(563,002)
Travel		(386,816)	(509,633)
		(8,048,674)	(8,197,277)
Surplus for the year		643,320	1,375,083