

**THE UBUNTU FOOTBALL TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**GENERAL INFORMATION**

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<b>TRUST REGISTRATION NUMBER</b>	IT299/2011
<b>TRUSTEES</b>	RC Prince OP Cunningham MC Jenkins
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Community education and development
<b>REGISTERED OFFICE AND BUSINESS ADDRESS</b>	1 Zodiac Road Ocean View Cape Town Western Cape 7975
<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>COMPILER</b>	Cloudworx Accounting Solutions Proprietary Limited Per Gareth Price
<b>PREPARER</b>	The financial statements were independently compiled under the supervision of: Gareth Price Chartered Accountant (SA)
<b>LEVEL OF ASSURANCE</b>	Independently compiled

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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# **THE UBUNTU FOOTBALL TRUST**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **TRUSTEES' RESPONSIBILITIES AND APPROVAL**

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The trustees 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 present fairly 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 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 throughout the company and supported by reasonable and prudent judgements 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 trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. These 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 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 are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements as set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the trustees and are signed on their behalf by:

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**RC Prince**

**Cape Town**  
**31 March 2023**

# THE UBUNTU FOOTBALL TRUST

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### TRUSTEES REPORT

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The trustees present their report for the year ended 31 December 2022.

#### 1. REVIEW OF ACTIVITIES

##### **Main business and operations**

The trust is engaged in community education and development and operates in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net profit of the trust was R433 656 (2021 loss - R449 417), after taxation of R0 (2021 - R0).

#### 2. GOING CONCERN

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

The trustees believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

#### 3. EVENTS AFTER THE REPORTING PERIOD

The trustees are not aware of any matter or circumstance arising since the end of the financial year which requires disclosure in the financial statements.

#### 4. NON-CURRENT ASSETS

There were no major changes in the nature or the use of non-current assets of the trust during the year.

#### 5. DISTRIBUTIONS

No distributions were declared or paid to beneficiaries during the year.

#### 6. DIRECTORS

The trustees of the trust during the year and to the date of this report are as follows:

##### **Name**

RC Prince

OP Cunningham

MC Jenkins

#### 7. SECRETARY

The trust had no secretary during the year.



## **INDEPENDENT COMPILER'S REPORT**

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### **TO THE TRUSTEES OF THE UBUNTU FOOTBALL TRUST**

We have compiled the accompanying financial statements of The Ubuntu Football Trust, as set out on pages 5 to 14, based on information you have provided. These financial statements comprise the statement of financial position of The Ubuntu Football Trust as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

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**Cloudworx Accounting Solutions Proprietary Limited**

**Per Gareth Price  
Chartered Accountant (SA)**

**31 March 2023**

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF FINANCIAL POSITION**

<b>Figures in R</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	2 489 178	2 566 021
<b>Current Assets</b>			
Trade and other receivables	3	254 422	14 276
Cash and cash equivalents	4	466 361	241 274
		<b>720 783</b>	<b>255 550</b>
<b>Total Assets</b>		<b>3 209 961</b>	<b>2 821 571</b>
<b>TRUST FUNDS AND LIABILITIES</b>			
<b>TRUST FUNDS</b>			
Accumulated surplus		2 585 741	2 152 085
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	5	493 973	550 677
<b>Current Liabilities</b>			
Trade and other payables	6	58 725	58 981
Other financial liabilities	5	70 504	59 828
Bank overdraft	4	1 018	-
		<b>130 247</b>	<b>118 809</b>
<b>Total Equity and Liabilities</b>		<b>3 209 961</b>	<b>2 821 571</b>

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>Figures in R</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>REVENUE</b>			
Sales		6 109 074	5 394 711
<b>OTHER INCOME</b>			
Interest received		4 249	3 661
Other income		863 400	61 614
Profit on foreign exchange		-	390
Rent received		19 200	-
		<b>886 849</b>	<b>65 665</b>
<b>OPERATING EXPENSES</b>			
Accounting fees		112 670	106 602
Advertising		7 687	65
Bank charges		30 984	34 246
Cleaning		6 706	-
Delivery expenses		-	521
Depreciation		76 843	29 237
Electricity and water		125 237	104 509
Employee costs		4 289 033	3 998 800
Entertainment		48 748	14 134
Fines and penalties		-	3 927
Insurance		79 087	75 141
Legal expense		25 000	9 681
Medical expenses		18 295	8 213
Motor vehicle expense		243 490	166 365
Office expenses		-	600
Printing and stationery		1 116	18 677
Rent paid		593 434	597 350
Repairs and maintenance		126 241	53 097
Security		7 961	7 223
Student development		163 649	165 860
Student meal costs		358 002	309 837
Subscriptions		13 281	12 838
Telephone and fax		40 845	44 287
Training		76 260	64 628
Travel - local		51 893	38 179
Travel - overseas		1 749	-
Uniforms		41 486	25 719
		<b>(6 539 697)</b>	<b>(5 889 736)</b>
<b>Profit / (loss) before finance costs and taxation</b>		<b>456 226</b>	<b>(429 360)</b>
Finance costs		(22 570)	(20 057)
<b>Profit / (loss) before taxation</b>		<b>433 656</b>	<b>(449 417)</b>
Taxation	12	-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>433 656</b>	<b>(449 417)</b>



**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF CHANGES IN TRUST FUNDS**

<b>Figures in R</b>	<b>Trust funds</b>	<b>Total</b>
<b>Balance at 1 March 2021</b>	2 601 502	2 601 502
Changes in trust funds		
Total comprehensive loss for the year	(449 417)	(449 417)
<b>Balance at 31 December 2021</b>	<b>2 152 085</b>	<b>2 152 085</b>
<b>Balance at 1 January 2022</b>	2 152 085	2 152 085
Changes in trust funds		
Total comprehensive income for the year	433 656	433 656
<b>Balance at 31 December 2022</b>	<b>2 585 741</b>	<b>2 585 741</b>

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF CASH FLOWS**

<b>Figures in R</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation		433 656	(449 417)
<b>Adjustments for:</b>			
Finance costs		22 570	20 057
Depreciation		76 843	29 237
Interest received		(4 249)	(3 661)
<b>Working capital changes</b>			
Trade and other receivables		(240 146)	(1 600)
Trade and other payables		(256)	(18 470)
<b>Cash generated by/(utilised in) operating activities</b>		<b>288 418</b>	<b>(423 854)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment acquired	2	-	(260 000)
Other financial assets repaid		13 800	108 234
Interest received		4 249	3 661
		<b>18 049</b>	<b>(148 105)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other financial liabilities (repaid)/advanced		(59 828)	420 505
Finance costs		(22 570)	(20 057)
		<b>(82 398)</b>	<b>400 448</b>
<b>Total cash movement for the year</b>		<b>224 069</b>	<b>(171 511)</b>
Cash and cash equivalents at beginning of the year		241 274	412 785
<b>Cash and cash equivalents at end of the year</b>	4	<b>465 343</b>	<b>241 274</b>

## **ACCOUNTING POLICIES**

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

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies are consistent with the previous period.

These financial statements have been prepared on the historic cost basis and are presented in South African Rands which is also the functional currency.

#### **1.1 Significant judgements and sources of estimation or uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from those estimates which may be material to the financial statements. Significant judgements include:

##### **Impairment testing**

Ongoing assessments are made regarding any potential impairment of assets using various valuation models.

##### **Taxation**

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### **Expected useful lives**

Items of property, plant and equipment are depreciated over their useful lives taking into account estimated residual values. The expected useful lives and residual values are assessed after taking into account various factors.

#### **1.2 Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment.

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, which is as follows:

<b>Item</b>	<b>Average useful life</b>
Buildings	50 years
Right-of-use asset	5 years

The residual value, depreciation method and the useful life are reviewed at each annual reporting period if there are indicators present that there has been significant change since the last reporting period.

## **ACCOUNTING POLICIES**

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### *Presentation of financial statements continued...*

#### **1.3 Financial instruments**

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

Financial instruments may be designated to be measured at amortised cost less any accumulated impairment using the effective interest rate method. These include trade and other receivables, loans, cash and cash equivalents and trade and other payables. 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 so, any impairment is recognised in the statement of comprehensive income. The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to the short-term nature of such amounts.

#### **1.4 Leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### **1.4.1 Finance leases as lessee**

Assets held under finance leases are recognised in the statement of financial position at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases.

All assets held under finance leases are classified as fixed assets, except for those properties held to earn rental income which are classified as investment property. Depreciation and impairment loss are calculated and recognised in the same manner as the depreciation and impairment loss on fixed assets as set out in note 5, except for the estimated useful lives cannot exceed the relevant lease terms, if shorter. Minimum lease payments are apportioned between finance charges and the reduction of the outstanding liabilities.

The finance charge is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **Operating leases as lessee**

Operating lease expense is recognised in terms of the lease agreement as payments are structured to increase in line with expected general inflation.

#### **1.5 Impairment of assets**

The trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset and recognises the impairment in profit or loss.

If an impairment subsequently reverses, the carrying amount of the asset 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 been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### **1.6 Employee benefits**

##### **Short-term employee benefits**

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

## **ACCOUNTING POLICIES**

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*Presentation of financial statements continued...*

### **1.7 Other income**

Interest is recognised, in profit or loss, 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 Translation of foreign currencies**

#### **Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in the functional currency, 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;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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 financial statements are recognised in profit or loss in the period in which they arise.

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in R	2022	2021
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**2. PROPERTY, PLANT AND EQUIPMENT**

	31 December 2022			31 December 2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	518 400	(95 054)	423 346	518 400	(83 318)	435 082
Land	1 893 164	-	1 893 164	1 893 164	-	1 893 164
Right-of-use asset	260 000	(87 332)	172 668	260 000	(22 225)	237 775
	<b>2 671 564</b>	<b>(182 386)</b>	<b>2 489 178</b>	<b>2 671 564</b>	<b>(105 543)</b>	<b>2 566 021</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	31 December 2022				
	Opening balance	Additions	Disposals	Depreciation	Carrying value
Buildings	435 082	-	-	(11 736)	423 346
Land	1 893 164	-	-	-	1 893 164
Right-of-use asset	237 775	-	-	(65 107)	172 668
	<b>2 566 021</b>	<b>-</b>	<b>-</b>	<b>(76 843)</b>	<b>2 489 178</b>

  

	31 December 2021				
	Opening balance	Additions	Disposals	Depreciation	Carrying value
Buildings	442 094	-	-	(7 012)	435 082
Land	1 893 164	-	-	-	1 893 164
Right-of-use asset	-	260 000	-	(22 225)	237 775
	<b>2 335 258</b>	<b>260 000</b>	<b>-</b>	<b>(29 237)</b>	<b>2 566 021</b>

**3. TRADE AND OTHER RECEIVABLES**

Trade debtors	194 200	3 200
Deposits	60 222	11 076
	<b>254 422</b>	<b>14 276</b>

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Cash on hand	200	-
Bank balances	466 161	241 274
	<b>466 361</b>	<b>241 274</b>
Bank overdraft	1 018	-
Current assets	466 361	241 274
Current liabilities	(1 018)	-
	<b>465 343</b>	<b>241 274</b>

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Figures in R</b>	<b>2022</b>	<b>2021</b>
<b>5. OTHER FINANCIAL LIABILITIES</b>		
<b>At amortised cost</b>		
Sunlyn Proprietary Limited	168 515	228 343
Loan secured by instalment sale agreement over property, plant and equipment with a book value of R172 668 (2021 - R237 775). The loan bears interest at 6% (2021 - 4%) and is repayable at R7 173 (2021 - R6 845) per month including finance charges.		
Hulk Investments	190 000	190 000
Ubuntu Cape Town FC Proprietary Limited	205 962	192 162
Unsecured loan with no fixed rate of interest or terms of repayment, but by intent long term in nature. The interest rate at 31 December 2022 was 0% (2021 - 0%).		
	<b>564 477</b>	<b>610 505</b>
Non-current liabilities	634 981	670 333
Current liabilities	(70 504)	(59 828)
	<b>564 477</b>	<b>610 505</b>
<b>Instalment sale liability</b>		
<b>Minimum lease payment due</b>		
Within one year	71 855	59 828
In second year to fifth year inclusive	136 303	212 817
	208 158	272 645
Future finance costs	(39 643)	(44 302)
	<b>168 515</b>	<b>228 343</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade creditors	13 648	20 373
Employee tax payable	45 077	38 608
	<b>58 725</b>	<b>58 981</b>
<b>7. TRUSTEES REMUNERATION</b>		
No remuneration was paid to the trustees for the year under review.		
<b>8. FINANCIAL ASSETS BY CATEGORY</b>		
<b>Financial assets at amortised cost</b>		
Trade and other receivables	254 422	14 276
Cash and cash equivalents	466 361	241 274
	<b>720 783</b>	<b>255 550</b>
<b>9. FINANCIAL LIABILITIES BY CATEGORY</b>		
<b>Financial liabilities at amortised cost</b>		
Bank overdraft	1 018	-
Other financial liabilities	564 477	610 505
Trade and other payables	58 725	58 981
	<b>624 220</b>	<b>669 486</b>

**THE UBUNTU FOOTBALL TRUST**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in R	2022	2021
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**10. RELATED PARTIES**

**Relationships**

Entity controlled by member of key management	Ubuntu Cape Town FC Proprietary Limited
Member of key management	Trustees - refer page 1

**Related party balances**

**Loan accounts owing to**

Ubuntu Cape Town FC Proprietary Limited	13 800	192 162
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**Trade receivables**

Ubuntu Cape Town FC Proprietary Limited	187 800	-
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**Related party transactions**

**Donations**

RC Prince	14 500	-
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**Other income**

Ubuntu Cape Town FC Proprietary Limited	863 600	-
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Compensation paid to the trustees is disclosed in note 7.

**11. RENTAL AGREEMENT COMMITMENTS**

**Operating leases - as lessee**

**Minimum lease payments due**

Within one year	296 611	-
In second to fifth year inclusive	370 764	-
	<u>667 375</u>	<u>-</u>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of 3 years.

**12. TAXATION**

The trust has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.