

**THE UBUNTU FOOTBALL TRUST
FINANCIAL STATEMENTS
FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2020**

THE UBUNTU FOOTBALL TRUST
FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER

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GENERAL INFORMATION

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

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2020**

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THE UBUNTU FOOTBALL TRUST FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITIES AND APPROVAL

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 trust 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 trustees 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 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 trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements as set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the trustees and are signed on their behalf by:

RC Prince

**Cape Town
29 April 2021**



INDEPENDENT COMPILER'S REPORT

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 4 to 12, based on information you have provided. These financial statements comprise the statement of financial position of The Ubuntu Football Trust as at 31 December 2020, the statement of comprehensive income, the statement of changes in trust funds and the statement of cash flows for the 10 month period 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.

Cloudworx Accounting Solutions Proprietary Limited

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

29 April 2021

**FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER
2020**
STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	31 December 2020	29 February 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	2 335 258	2 607 095
Other financial assets	3	108 234	-
		<u>2 443 492</u>	<u>2 607 095</u>
Current Assets			
Trade and other receivables	4	12 676	15 076
Cash and cash equivalents	5	412 785	1 364 823
		<u>425 461</u>	<u>1 379 899</u>
Total Assets		<u>2 868 953</u>	<u>3 986 994</u>
TRUST FUNDS AND LIABILITIES			
TRUST FUNDS			
Accumulated surplus		<u>2 601 500</u>	<u>3 489 849</u>
LIABILITIES			
Non-Current Liabilities			
Other financial liabilities	6	<u>190 000</u>	<u>266 067</u>
Current Liabilities			
Trade and other payables	7	77 453	134 780
Other financial liabilities	6	-	95 748
Bank overdraft	5	-	550
		<u>77 453</u>	<u>231 078</u>
Total Equity and Liabilities		<u>2 868 953</u>	<u>3 986 994</u>

THE UBUNTU FOOTBALL TRUST
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in R	Note	31 December 2020	29 February 2020
REVENUE			
Donations		3 639 835	5 915 821
OTHER INCOME			
Interest received		14 188	-
Other income		11 239	355 253
		25 427	355 253
OPERATING EXPENSES			
Accounting fees		93 738	85 519
Advertising		395	8 000
Bank charges		23 812	34 240
Cleaning		-	6 439
Computer expenses		21 996	-
Depreciation		8 023	75 374
Employee costs		2 636 452	2 505 675
Entertainment		4 520	1 155
Food for students		189 025	385 529
Insurance		53 891	66 483
Loss on disposal of property, plant and equipment		41 668	-
Medical expenses		22 998	8 318
Motor vehicle expense		83 773	101 857
Office expense		60 729	52 898
Printing and stationery		13 055	47 544
Rent		396 910	362 841
Repairs and maintenance		85 784	29 194
Security		5 439	5 764
Student development		581 771	450 966
Subscriptions		10 270	12 573
Telephone and internet		33 703	55 712
Training		-	35 018
Travel - local		62 200	105 923
Travel - overseas		2 800	-
Uniforms		27 713	57 922
Utilities		86 817	76 635
		(4 546 582)	(4 572 479)
(Loss)/profit before finance costs and taxation		(881 320)	1 698 595
Finance costs		(7 029)	(112 141)
(Loss)/profit before taxation		(888 349)	1 586 454
Taxation	12	-	-
Net (loss)/income for the year		(888 349)	1 586 454

THE UBUNTU FOOTBALL TRUST
FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER
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STATEMENT OF CHANGES IN TRUST FUNDS

Figures in R	Accumulated surplus	Total
Balance at 1 March 2019	1 903 395	1 903 395
Changes in trust funds		
Total comprehensive income for the year	1 586 454	1 586 454
Balance at 29 February 2020	3 489 849	3 489 849
Balance at 1 March 2020	3 489 849	3 489 849
Changes in trust funds		
Total comprehensive loss for the year	(888 349)	(888 349)
Balance at 31 December 2020	2 601 500	2 601 500

THE UBUNTU FOOTBALL TRUST
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STATEMENT OF CASH FLOWS

Figures in R	Notes	31 December 2020	29 February 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(888 349)	1 586 454
Adjustments for:			
Finance costs		7 029	112 141
Depreciation		8 023	75 374
Interest received		(14 188)	-
Loss on disposal of property, plant and equipment		41 668	-
Working capital changes			
Trade and other receivables		2 400	-
Trade and other payables		(57 327)	(242 091)
Cash (utilised in)/generated by operating activities		(900 744)	1 531 878
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment acquired	2	-	(330 000)
Proceeds on disposals of property, plant and equipment		222 146	-
Other financial assets advanced		(174 301)	-
Interest received		14 188	-
		62 033	(330 000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Other financial liabilities (repaid)/advanced		(105 748)	306 748
Finance costs		(7 029)	(112 141)
		(112 777)	194 607
Total cash movement for the year		(951 488)	1 396 485
Cash and cash equivalents at beginning of the year		1 364 273	(32 212)
Cash and cash equivalents at end of the year	5	412 785	1 364 273

THE UBUNTU FOOTBALL TRUST
FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER
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ACCOUNTING POLICIES

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

Land is stated at cost and is not depreciated, other 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:

Item	Average useful life
Buildings	50 years
Motor vehicles	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.

THE UBUNTU FOOTBALL TRUST
FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER
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ACCOUNTING POLICIES

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 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.

1.5 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.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts invoiced for goods and services provided in the ordinary course of business net of trade discounts and volume rebates.

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.

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FINANCIAL STATEMENTS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER
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NOTES TO THE FINANCIAL STATEMENTS

Figures in R	31 December 2020	29 February 2020
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2. PROPERTY, PLANT AND EQUIPMENT

	31 December 2020			29 February 2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	518 400	(76 306)	442 094	518 400	(68 469)	449 931
Land	1 893 164	-	1 893 164	1 893 164	-	1 893 164
Motor vehicles	-	-	-	330 000	(66 000)	264 000
	2 411 564	(76 306)	2 335 258	2 741 564	(134 469)	2 607 095

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

	31 December 2020				
	Opening balance	Additions	Disposals	Depreciation	Carrying value
Buildings	449 931	-	-	(7 837)	442 094
Land	1 893 164	-	-	-	1 893 164
Motor vehicles	264 000	-	(263 814)	(186)	-
	2 607 095	-	(263 814)	(8 023)	2 335 258

	29 February 2020				
	Opening balance	Additions	Disposals	Depreciation	Carrying value
Buildings	459 305	-	-	(9 374)	449 931
Land	1 893 164	-	-	-	1 893 164
Motor vehicles	-	330 000	-	(66 000)	264 000
	2 352 469	330 000	-	(75 374)	2 607 095

3. OTHER FINANCIAL ASSETS

At amortised cost

Ubuntu Football Club	108 234	-
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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 2020 was 0% (2020 - 0%).

4. TRADE AND OTHER RECEIVABLES

Trade receivables	1 600	-
Deposits	11 076	11 076
Staff loans	-	4 000
	11 076	15 076

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NOTES TO THE FINANCIAL STATEMENTS

Figures in R	31 December 2020	29 February 2020
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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	412 785	1 364 823
Bank overdraft	-	550

6. OTHER FINANCIAL LIABILITIES

At amortised cost

Term loan - 95 748

Loan secured by instalment sale agreement over property, plant and equipment with a book value of R0 (2020 - R264 000). The loan bears interest at 0% (2020 - 0%) and is repayable at R0 (2020 - R9 079) per month including finance charges.

Hulk Investments 190 000 200 000
 Ubuntu Football Club - 66 067

Unsecured loans with no fixed rate of interest or terms of repayment, but by intent long term in nature. The interest rate at 31 December 2020 was 0% (2020 - 0%).

190 000	361 815
190 000	266 067
-	95 748
190 000	361 815

Non-current liabilities 190 000 266 067
 Current liabilities - 95 748

Instalment sale liability

Minimum lease payment due

Within one year - 102 657
 Future finance costs - (6 909)
95 748

7. TRADE AND OTHER PAYABLES

Trade payables	43 683	100 454
Other payables	33 770	34 326
	77 453	134 780

8. TRUSTEES' REMUNERATION

No remuneration was paid to the trustees for the period under review.

THE UBUNTU FOOTBALL TRUST
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NOTES TO THE FINANCIAL STATEMENTS

Figures in R	31 December 2020	29 February 2020
9. FINANCIAL ASSETS BY CATEGORY		
Financial assets at amortised cost		
Other financial assets	108 234	-
Trade and other receivables	11 076	15 076
Cash and cash equivalents	412 785	1 364 823
	<u>532 095</u>	<u>1 379 899</u>
10. FINANCIAL LIABILITIES BY CATEGORY		
Financial liabilities at amortised cost		
Other financial liabilities	190 000	361 815
Trade and other payables	77 453	134 780
Bank overdraft	-	550
	<u>267 453</u>	<u>496 595</u>
11. RELATED PARTIES		
Relationships		
Entity controlled by key management	Ubuntu Football Club	
Member of key management	Directors - refer page 1	
Related party balances		
Loan account owing by		
Ubuntu Football Club	108 234	-
Loan account owing to		
Ubuntu Football Club	-	66 067
Related party transactions		

Compensation paid to the trustees is disclosed in note 8.

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.