

VAL DE VIE FOUNDATION TRUST
(Registration number IT 000038/2015(c))

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020



Val de Vie Foundation Trust

(Registration number: IT 000038/2015(c))

Annual Financial Statements for the year ended 29 February 2020

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter Vivos Trust
Trustees	C L van der Venter J M Bosch L R Cronje S A de Wet S D G Rossouw
Business address	Polo Pavilion Offices Val de Vie Estate R301 Wemmershoek Drive PAARL 7646
Postal address	P O Box 6223 PAARL 7620
Bankers	Investec Bank Limited
Auditors	PricewaterhouseCoopers Incorporated Capital Place, Technopark Stellenbosch 7600
Trust registration number	IT 000038/2015(c)
Tax reference number	0572810240
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Trust deed.
Preparer	The annual financial statements were independently compiled by: C Botha Chartered Accountant (SA)

Val de Vie Foundation Trust

(Registration number: IT 000038/2015(c))

Annual Financial Statements for the year ended 29 February 2020

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

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Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Trustees' Responsibilities and Approval

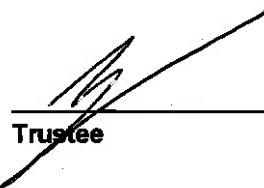
The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs 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 basis of accounting as set out in Note 1 to the financial statements.

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. 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 external auditors are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 7 to 9.

The financial statements and supplementary information set out on pages 10 to 21, which have been prepared on the going concern basis, were approved by the trustees and were signed on its behalf by:



Trustee



Trustee

PAARL

2020/06/26

Practitioner's Compilation Report

To the directors of Val de Vie Foundation Trust

We have compiled the financial statements and additional schedules of Val de Vie Foundation Trust, as set out on pages 10 to 21, based on the information you have provided. These financial statements comprise the statement of financial position of Val de Vie Foundation Trust as at 29 February 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with 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.



C Botha
Chartered Accountant (S.A.)

9 July 2020
PAARL

Directors | Direkteure: DG de Villiers, C Botha
Management Services | Bestuursdienste: GW Breet

Assisted by | Bygestaan deur:
A Badenhorst, DPC Jonker

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Reg no. 2001/003908/21
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Val de Vie Foundation Trust

(Registration number: IT 000038/2015(c))

Annual Financial Statements for the year ended 29 February 2020

Trustees' Report

The trustees have submitted their report on the annual financial statements of Val de Vie Foundation Trust for the year ended 29 February 2020.

1. The trust

The trust was registered in terms of a trust deed dated 1 December 2014, under jurisdiction of the Cape Town Master's Office.

The trust is an inter vivos trust and the trustees have discretionary powers with regards to trust capital and income.

The trust has been approved as a Public Benefit Organisation as it meets the requirements set out in section 30(3) of the Income Tax Act No 58 of 1962.

2. Nature of business

Val de Vie Foundation Trust was registered in, and operates in, South Africa.

The purpose of the Trust is to provide relief to the disadvantaged communities in the greater Cape Winelands, with specific focus on the Drakenstein Valley.

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

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the accounting policies as set out in Note 1 to the financial statements. 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 annual financial statements.

4. Non-current assets

Details of major changes in the nature of the non-current assets of the trust during the year are disclosed in note 2.

5. Trustees

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

Trustees

C L van der Venter
J M Bosch
L R Cronje
S A de Wet
S D G Rossouw

All trustees are South African, and reside within the country. The master has issued the trustees a Letter of Authority to administer the trust.

6. Trustees' benefits

No remuneration was paid to the trustees during the year under review.

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Trustees' Report

7. Beneficiaries

Eligible Beneficiaries means such individuals and juristic persons, as may from time to time be eligible to receive benefits from the trust in pursuant of its objects, having regard to the Prescribed Fiscal Conditions.

Prescribed Fiscal Conditions means the provisions set out in clause 5 of the trust deed, being applicable to Public Benefit Organisations, approved as such by the Commissioner for the purposes of section 10(1)(cN) and for the purposes of section 18A, as amended by the Income Tax Act from time to time.

8. Distributions to beneficiaries

The trustees may distribute any part of the Trust Fund to an Eligible Beneficiary, subject to the Prescribed Fiscal Conditions, in such portions as the trustees deem fit. The distributions shall be made in such a manner and upon such terms and subject to such conditions, limitations and restrictions in all respects as the trustees may determine from time to time in their sole and absolute discretion.

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The 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 ability of the trust to continue as a going concern beyond the short term is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations of the trust.

The trust's major funding providers are residential property developers (with limited non-residential exposure). We believe that COVID-19 will not have the adverse effect on their operations as would be the case for a commercial property developer. As at signature date, "residential construction" as well as "real estate activities" are listed as a "Level III" economic activity. Development and sales timelines will be extended - we believe that the funding providers have adequate working capital in place to sustain operations during these periods.

Economic impact on current markets of the funding providers

Being "primary residence" property developers with specific focus on the greater Val de Vie Estate, the majority (more than 90%) of property buyers have been South African. We believe that from all the property sectors, the primary residence property market will be the most resilient during tough economic conditions. With the weakening of the Rand, we also expect an increase in foreign buyers.

Accordingly, we believe that the trustees will be able to continue to procure sufficient funding for the operations of the trust for the foreseeable future.

10. Events after the reporting period

COVID-19 was declared a pandemic on 11 March 2020 and South Africa went into a national lockdown starting 27 March 2020. At signature date the full impact of COVID-19 on the economy is unknown - however the trustees are confident that the trust will remain a going concern for the foreseeable future.



Independent auditor's report

To the Trustees of Val de Vie Foundation Trust

Our opinion

In our opinion, the financial statements of Val de Vie Foundation Trust (the Trust) for the year ended 29 February 2020 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

What we have audited

Val de Vie Foundation Trust's financial statements set out on pages 10 to 19 comprise:

- the statement of financial position as at 29 February 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the annual financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Emphasis of Matter – Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4960174682.



Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled “Val de Vie Foundation Trust Audited Financial Statements for the year ended 29 February 2020”. 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 identified above 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 of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements and for determining that the basis of preparation is acceptable in the circumstances 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

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 ISAs 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 ISAs, 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.

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.

PricewaterhouseCoopers R.

PricewaterhouseCoopers Inc.
Director: TS Bruwer
Registered Auditor
Stellenbosch
26 June 2020

Val de Vie Foundation Trust

(Registration number: IT 000038/2015(c))

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

	Note(s)	2020 R	2019 R
Assets			
Non-Current Assets			
Intangible assets	2		5 316
Current Assets			
Trade and other receivables	3	20 921	73 109
Cash and cash equivalents	4	4 913 899	5 422 501
		4 934 820	5 495 610
Total Assets		4 934 820	5 500 926
Equity and Liabilities			
Equity			
Trust capital		100	100
Accumulated surplus		4 817 008	5 464 282
		4 817 108	5 464 382
Liabilities			
Current Liabilities			
Short-term loans	5	90	19 689
Trade and other payables	6	106 014	16 855
Current tax payable		11 608	-
		117 712	36 544
Total Equity and Liabilities		4 934 820	5 500 926

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Annual Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue		2 981 826	6 469 019
Other fundraising initiatives		1 604 733	760 075
Operating expenses		(129 703)	(190 559)
Operating surplus		4 456 856	7 038 535
Interest received		285 036	213 241
Distributions	7	(5 377 558)	(5 932 394)
(Deficit) surplus before taxation		(635 666)	1 319 382
Taxation	9	(11 608)	-
(Deficit) surplus for the year		(647 274)	1 319 382
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(647 274)	1 319 382

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Annual Financial Statements for the year ended 29 February 2020

Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
Balance at 01 March 2018	100	4 144 900	4 145 000
Surplus for the year	-	1 319 382	1 319 382
Balance at 01 March 2019	100	5 464 282	5 464 382
Deficit for the year	-	(647 274)	(647 274)
Balance at 29 February 2020	100	4 817 008	4 817 108

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Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

	Note(s)	2020 R	2019 R
Cash flows from operating activities			
Cash generated from operations	8	4 603 519	6 737 696
Interest income		285 036	213 241
Distributions		(5 377 558)	(5 932 394)
Net cash from / (utilised in) operating activities		(489 003)	1 018 543
Cash flows from financing activities			
Repayment of short-term loans		(19 599)	(26 452)
Net cash / (utilised in) from financing activities		(19 599)	(26 452)
Net cash movement for the year		(508 602)	992 091
Cash at the beginning of the year		5 422 501	4 430 410
Total cash at end of the year	4	4 913 899	5 422 501

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Intangible assets

Acquired computer software licences are initially capitalised at cost, which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

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.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

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, without undue cost or effort, are measured at fair value through surplus and deficit.

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.2 Financial Instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest rate method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade and other payables

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

1.3 Tax

Current tax assets and liabilities

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.

The Public Benefit Organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act.

1.4 Revenue

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the trust's activities.

The trust recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the trust's activities, as described below:

Grant and donations

Grants are recognised in accordance with the provisions of the underlying agreements, and where more appropriate, in the year in which the expenditure in respect of which the grant was received, was incurred.

Donations are recognised as income when received.

Interest income

Interest income is recognised using the effective interest method.

1.5 Expenses

Expenses are recognised on an accrual basis.

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.6 Trust capital

Donations are recognised in surplus or deficit when received, and are subsequently transferred to trust capital in the statement of changes in equity.

1.7 Accumulated surplus

Income which is not vested in the beneficiaries is classified as accumulated surplus.

1.8 Borrowing costs

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

1.9 Distributions

Distributions are recognised in the statement of comprehensive income when declared by the trustees.

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
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2. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	18 225	(18 225)	-	18 225	(12 909)	5 316

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	5 316	(5 316)	-

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software	11 391	(6 075)	5 316

3. TRADE AND OTHER RECEIVABLES

Trade receivables	20 921	73 109
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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Investec Daily Call account	398 989	-
Investec Current accounts	75 773	9 320
Investec Cash Management account	1 981 652	5 413 181
Investec Business Top 5 account	2 457 485	-
	4 913 899	5 422 501

5. SHORT-TERM LOANS

Unsecured

Val de Vie Events (Pty) Ltd	-	19 507
Val de Vie Management (Pty) Ltd	90	182
	90	19 689

The loans bear interest at rates agreed to from time to time and there are no fixed terms of repayment.

6. TRADE AND OTHER PAYABLES

Trade payables	850	16 855
Provisions	105 164	-
	106 014	16 855

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

	2020 R	2019 R
7. DISTRIBUTIONS		
Operational		
Valcare Trust	3 127 825	4 750 000
Available for ad-hoc distributions	300 000	259 670
	<u>3 427 825</u>	<u>5 009 670</u>
Capital / Ad hoc projects	1 949 733	922 724
Total distributions	<u>5 377 558</u>	<u>5 932 394</u>
8. CASH GENERATED FROM OPERATIONS		
(Deficit) surplus before taxation	(635 666)	1 319 382
Adjustments for:		
Depreciation and amortisation	5 316	6 075
Interest received	(285 036)	(213 241)
Distributions	5 377 558	5 932 394
Changes in working capital:		
Trade and other receivables	52 188	78 151
Trade and other payables	89 159	(385 065)
	<u>4 603 519</u>	<u>6 737 696</u>
9. TAXATION		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	11 608	-
Reconciliation of the tax expense		
Reconciliation between operating surplus and interest received and tax expense.		
Operating surplus and interest received	3 137 159	7 251 776
Tax at the applicable tax rate of 28% (2019: 28%)	878 405	2 030 497
Tax effect of adjustments on taxable income		
Section 10(1)(cN) exemption	(866 797)	(2 030 497)
	<u>11 608</u>	<u>-</u>

10. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The 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 ability of the trust to continue as a going concern beyond the short term is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations of the trust.

Val de Vie Foundation Trust

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Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

	2020	2019
	R	R

10. GOING CONCERN (continued)

The trust's major funding providers are residential property developers (with limited non-residential exposure). The trustees believe that COVID-19 will not have the adverse effect on their operations as would be the case for a commercial property developer. As at signature date, "residential construction" as well as "real estate activities" are listed as a "Level III" economic activity. Development and sales timelines will be extended - the trustees believe that the funding providers have adequate working capital in place to sustain operations during these periods.

Economic impact on current markets of the funding providers

Being "primary residence" property developers with specific focus on the greater Val de Vie Estate, the majority (more than 90%) of property buyers have been South African. The trustees believe that from all the property sectors, the primary residence property market will be the most resilient during tough economic conditions. With the weakening of the Rand, the trustees also expect an increase in foreign buyers.

Accordingly, the trustees believe that the trustees will be able to continue to procure sufficient funding for the operations of the trust for the foreseeable future.

11. EVENTS AFTER THE REPORTING PERIOD

COVID-19 was declared a pandemic on 11 March 2020 and South Africa went into a national lockdown starting 27 March 2020. At signature date the full impact of COVID-19 on the economy is unknown - however the trustees are confident that the trust will remain a going concern for the foreseeable future.

Val de Vie Foundation Trust

(Registration number IT 000038/2015(c))

Audit Financial Statements for the year ended 29 February 2020

Detailed Income Statement

	2020 R	2019 R
Donations received	2 981 826	6 469 020
1% Sales Golden Ribbon Trading 416 (Pty) Ltd	156 918	272 565
Keysha Investments 213 (Pty) Ltd	173 400	728 042
Val de Vie Developments (Pty) Ltd	543 226	1 056 506
Val de Vie Construction (Pty) Ltd	461 770	2 043 389
Pearl Valley Investments (Pty) Ltd	61 151	1 209 804
	1 396 465	5 310 306
5% Levy HOA	274 515	250 650
HOA II	881 798	739 552
Polo Offices	71 180	-
Polo Village	102 873	83 004
	1 330 366	1 073 207
Other	254 995	85 507
Other Fundraising Initiatives	1 604 733	760 075
Golfday net income	640 735	760 075
Specific projects	963 998	-
Total operating income	4 586 559	7 229 095
Operating expenses	(129 703)	(190 560)
Bank charges	5 012	4 178
Consulting fees	120 000	153 000
Depreciation	5 316	6 075
Entertainment / meetings	-	1 105
IT expenses	-	-
Legal fees	-	-
Marketing fees	(1 725)	20 168
Subscriptions	1 100	1 834
Website development	-	4 200
Operating surplus for the year	4 456 856	7 038 535
Interest received	285 036	213 241
Net surplus before distributions	4 741 892	7 251 776

Val de Vie Foundation Trust

(Taxpayer reference number 0572810240)

(Registration number: IT 000038/2015(c))

Annual Financial Statements for the year ended 29 February 2020

Tax Computation

	2020 R
Interest received	285 037
Less: Section 10(1)(cN) exemption	(243 580)
Taxable income for 2020	41 457
Tax thereon @ 28% in the Rand	11 608