

Pinetown Gymnastics Club
Annual financial statements
for the year ended 31 March 2012



BAKER TILLY
MORRISON MURRAY

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

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

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Report of the Independent Auditors

To the members of Pinetown Gymnastics Club

We have audited the accompanying annual financial statements of Pinetown Gymnastics Club, which comprise the committee's report, the balance sheet as at 31 March 2012, the income statement and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 11.

Committee's Responsibility for the Financial Statements

The club's committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with the Constitution. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the Club to institute effective accounting controls over the cash collections prior to the initial entry of the collections in the accounting records. Accordingly, it was not practical for us to extend our examination of this aspect of the operations beyond the receipts actually recorded.

Qualified opinion

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of club as of 31 March 2012, and of its financial performance and its cash flows for the year then ended in accordance with the Constitution.

Baker Tilly Morrison Murray
Registered Auditors
Per: R A Kemp
Westville

25-9-2012

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Committees' Responsibilities and Approval

The committee is responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the annual financial statements. The annual financial statements have been prepared in accordance with generally accepted accounting practice in accordance with the constitution.

The committee is also responsible for the Club's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on the going concern basis, since the committee have every reason to believe that the club has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 4 to 11 have been approved and are signed by:



Committee member



Committee member

Pinetown Gymnastics Club

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Committees' Report

The committee submit their report for the year ended 31 March 2012.

1. Review of activities

Main business and operations

The Club offers it's members training and coaching in all facets of gymnastics.

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

Net deficit of the club was R 166,682 (2011: surplus R 110,869).

2. Committee members

The committee of the Club during the year and to the date of this report are as follows:

Name

A Prins (Chairperson and Finance)

P Bailey (Secretary)

T Morris (Athlete)

L Ngcongo (Athlete)

A Chadwick (Manager)

E Myburgh (Marketing and Admin)

K Meumann (Events)

M Nel (News and Website)

F Schutz (Building and Equipment)

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Balance Sheet

Figures in Rand	Note(s)	2012	2011
Assets			
Non-Current Assets			
Equipment	2	-	32,724
Current Assets			
Inventories		1,500	1,500
Trade and other receivables		161,128	155,790
Cash and cash equivalents		52,931	110,760
		215,559	268,050
Total Assets		215,559	300,774
Accumulated funds and Liabilities			
Accumulated funds			
Accumulated funds		53,409	220,091
Liabilities			
Current Liabilities			
Trade and other payables		96,933	29,183
Members deposits		56,200	51,500
Bank overdraft	5	9,017	-
		162,150	80,683
Total Accumulated funds and Liabilities		215,559	300,774

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Income Statement

Figures in Rand	Note(s)	2012	2011
Revenue			
Fees and membership		1 185 408	1 050 914
Lotto grant		540 000	-
		1 725 408	1 050 914
Other income			
Commissions received		14 729	-
Events - entry fees		12 790	9 752
Interest received		1 434	1 696
Party hire		90 850	64 892
Sponsorship		-	12 400
Sundry income		22 628	10 276
Tuckshop trading		36 920	37 009
Venue hire		54 480	89 961
		233 831	225 986
Expenses (Refer to page 7)		(2 125 646)	(1 165 354)
(Deficit)/surplus		(166 407)	111 546
Finance costs		(275)	(677)
(Deficit)/surplus for the year		(166 682)	110 869

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Income Statement

Figures in Rand	Note(s)	2012	2011
Operating expenses			
Accommodation		21,140	-
Advertising		1,026	-
Audit fee		7,746	6,202
Awards and presentations		21,172	8,366
Bad debts		22,106	92,636
Bank charges		12,118	8,776
Cleaning		11,725	8,354
Clothing		143,584	8,430
Competition entry		25,040	23,302
Depreciation		32,722	44,065
Electricity		29,229	25,745
Entertainment		19,025	907
Insurance		35,135	31,513
KZN registrations		38,598	24,530
Lease rentals		44,000	28,040
Levies		5,699	-
Outreach expenses		72,018	37,166
Penalties and fines		44,894	3,000
Printing, stationery and sundries		22,461	24,116
Purchases		484,081	46,570
Repairs and maintenance		43,044	27,656
Salaries		835,556	639,189
Security		5,258	3,751
Subscriptions		1,810	2,757
Sundry expenses		4,500	-
Telephone		23,282	18,783
Training		8,987	3,399
Transport and freight		3,550	6,100
Travel		32,166	4,631
Venue hire		46,626	12,889
Water		27,348	24,481
		2,125,646	1,165,354

Pinetown Gymnastics Club

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Statement of Changes in Accumulated Funds

Figures in Rand	Accumulated funds	Total funds
Balance at 01 April 2010	109 222	109 222
Changes in accumulated funds		
Surplus for the year	110 869	110 869
Total changes	110 869	110 869
Balance at 01 April 2011	220 091	220 091
Changes in accumulated funds		
(Deficit) for the year	(166 682)	(166 682)
Total changes	(166 682)	(166 682)
Balance at 31 March 2012	53 409	53 409

Note(s)

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Cash Flow Statement

Figures in Rand	Note(s)	2012	2011
Cash flows from operating activities			
Cash (used in) generated from operations	4	(68 007)	100 643
Interest income		1 434	1 696
Finance costs		(275)	(677)
Net cash from operating activities		(66 848)	101 662
Cash flows from investing activities			
Write off of equipment	2	2	-
Total cash movement for the year		(66 846)	101 662
Cash at the beginning of the year		110 760	9 098
Total cash at end of the year		43 914	110 760

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Constitution. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Equipment

Equipment is written off against income on acquisition.

1.2 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at cost less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other payables

Trade payables are initially measured at cost.

Cash resources

Cash and cash equivalents comprise cash on hand and 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.

1.3 Inventories

Inventories are valued by the Committee at estimated cost.

1.4 Revenue

Membership fees are raised in the annual financial statements as per the total registered members. The membership fees are adjusted during the year according to the movements of the members.

Pinetown Gymnastics Club

Annual Financial Statements for the year ended 31 March 2012

Notes to the Annual Financial Statements

Figures in Rand 2012 2011

2. Equipment

	2012			2011		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	-	-	-	18 225	(18 224)	1
Gym equipment	-	-	-	293 768	(261 045)	32 723
Total	-	-	-	311 993	(279 269)	32 724

Reconciliation of equipment - 2012

	Opening Balance	Disposals	Depreciation	Total
Office equipment	1	(1)	-	-
Gym equipment	32 723	(1)	(32 722)	-
	32 724	(2)	(32 722)	-

Reconciliation of equipment - 2011

	Opening Balance	Depreciation	Total
Office equipment	1	-	1
Gym equipment	76 788	(44 065)	32 723
	76 789	(44 065)	32 724

3. Taxation

No taxation was provided as the club is exempt from taxation.

4. Cash (used in) generated from operations

(Deficit)/surplus before taxation	(166 682)	110 869
Adjustments for:		
Depreciation and amortisation	32 722	44 065
Interest received	(1 434)	(1 696)
Finance costs	275	677
Movements in members deposits	4 700	(2 200)
Changes in working capital:		
Trade and other receivables	(5 338)	(41 549)
Trade and other payables	67 750	(9 523)
	(68 007)	100 643

5. Bank overdraft

The 32 day call account included at R 52,890 (2011 : R 51,457) is ceded as security for the bank overdraft and acceptances of the club.