

**AVELA TRUST**  
(Registration number IT24/2015)  
Annual Financial Statements  
for the year ended 28 February 2021

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**GENERAL INFORMATION**

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Raising of funds for the benefit of previously disadvantaged burn victims
TRUSTEES	Ms CE Palomo Meza Mr RM Raad Ms M Modise
BANKERS	First National Bank
ACCOUNTING OFFICERS	AC Venter Ing/Inc 3 Leipoldt Street Bellville 7530
COMPILERS	Marike Pretorius CA(SA) 21C Level 4, Cento Building Bella Rosa Village Tygervally 7530

## REPORT OF THE COMPILER

To the Trustees of Avela Trust

We have compiled the accompanying annual financial statements of Avela Trust based on information you have provided. These annual financial statements comprise the statement of financial position of Avela Trust as at 28 February 2021, the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, 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 and the requirements of the Companies Act of South Africa.



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Per: Marike Pretorius  
Chartered Accountant (SA)

Besigheidsadres / Business Address  
Leipoldtstraat 3 / 3 Leipoldt Street  
Bellville  
7530

Posadres / Postal Address  
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Bellville  
7535



**AC Venter Ing/Inc**

Reg.Nr: 2012/103474/21

Registered Auditors • Geregistreerde Ouditeure

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## **ACCOUNTING OFFICER'S REPORT**

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### **To the trustees of Avela Trust**

We have performed the duties of accounting officer to Avela Trust for the year ended 28 February 2021 as required by Section 17 of the Nonprofit Organisations Act, 1997. The Financial Statements of Avela Trust set out on page 6 to 12 are the responsibility of the trustees. No audit is required by the Act to be carried out and no audit was conducted. Accordingly we do not imply or express an opinion or any other form of assurance on the Financial Statements.

We have determined that the Financial Statements are in agreement with the accounting records, summarised in the manner required by section 17 of the Act and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as we considered necessary in the circumstances. We have also reviewed the accounting policies which have been represented to us as having been applied in the preparation of the Financial Statements, and we consider that they are appropriate to the business.

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**E C Venter**  
**A C VENTER INCORPORATED**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

## AVELA TRUST

(Registration Number IT24/2015)

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### TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustee is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The trustee acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the trustee to meet these responsibilities, the Trustee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

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


The trustee is 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustee has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The professional accountants are responsible for reporting on the annual financial statements. The professional accountants' compilation report is presented on page 3.

The annual financial statements as set out on pages 5 to 12 were approved by the Trustee on 28 June 2021 and were signed on its behalf by:



Ms CE Palomo Meza



Mr RM Raad



Ms M Madise

**AVELA TRUST**

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Annual Financial Statements for the year ended 28 February 2021

**Statement of Financial Position**

	Notes	2021 R	2020 R
<b>ASSETS</b>			
Current assets		4,636,874	3,358,359
Cash and cash equivalents	3	4,636,874	3,358,359
<b>Total assets</b>		<u>4,636,874</u>	<u>3,358,359</u>
<b>RESERVES AND LIABILITIES</b>			
Reserves		4,636,874	3,358,359
Accumulated (loss) / profit		4,636,874	3,358,359
<b>Total reserves and liabilities</b>		<u>4,636,874</u>	<u>3,358,359</u>

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**Detailed Income statement**

	Notes	2021 R	2020 R
<b>Gross Revenue</b>			
Donations received	4	1,452,429	2,403,470
<b>Other income</b>			
Money Market Interest	5	77,542	172,261
		<u>1,529,971</u>	<u>2,575,731</u>
<b>Expenditure</b>			
<i>Administration expenses</i>			
Accounting fees		1,125	1,225
Bank charges		4,765	5,365
Professional fees		-	7,771
Telephone		8,156	6,739
<i>Fundraising expenses</i>			
Everest Base Camp Virtual Race	6	2,552	
Kilimanjaro Trek Trip			9,642
Events			78,865
Commission charges	7		63,149
Marketing		11,160	111,410
<i>Project specific expenses</i>			
U-Matter Mentoring Programme: Smile Foundation	8	222,600	193,402
Transport for burn survivors for laser treatment	8	1,100	687,972
Laser Machine for Chris Hani Baragwanath Hospital	8		805,000
		<u>251,457</u>	<u>1,970,541</u>
<b>Surplus for the year</b>		<u>1,278,514</u>	<u>605,190</u>



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**Statement of Changes in Reserves**

	Trust fund surplus R
Balance at 1 March 2020	3,358,359
Total comprehensive income for the year	
Surplus for the year	<u>1,278,514</u>
Balance at 28 February 2021 available for distributions to beneficiaries of the Trust	<u>4,636,874</u>

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**Statement of Cash Flows**

	2021 R	2020 R
<b>Cash flows from fund raising activities</b>		
Surplus for the year	1,278,514	605,190
<i>Adjustments for:</i>		
Money Market Interest	(77,542)	(172,261)
<b>Cash generated by fundraising activities</b>	<u>1,200,972</u>	<u>432,930</u>
Money Market Interest	77,542	172,261
<b>Net cash from fundraising activities</b>	<u>1,278,514</u>	<u>605,190</u>
Cash and cash equivalents at beginning of year	3,358,359	2,753,169
Increase cash and cash equivalents	1,278,514	605,190
<b>Cash and cash equivalents at end of year</b>	<u>4,636,874</u>	<u>3,358,359</u>

## **AVELA TRUST**

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### **Accounting Policies**

#### **1. General information**

Avela Trust is a non-profit organisation. The core nature of business is to raise funds for the benefit of previously disadvantaged burn survivors.

#### **2. Summary of significant accounting policies**

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

##### **2.1 Revenue recognition**

###### **2.1.1 Donations**

Revenue consists mainly of donations received and is recognized at the time of receipt of the donation.

###### **2.1.2 Interest Income**

Interest income is recognised using the effective interest rate method.

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### Notes to the Annual Financial Statements

	2021 R	2020 R
<b>3. Cash and cash equivalents</b>		
Favourable cash balances		
Cheque Account	1,102,959	31,987
Money Market	3,533,915	3,326,373
	<u>4,636,874</u>	<u>3,358,359</u>
<b>4. Revenue</b>		
An analysis of revenue is as follows:		
Donations received	1,452,429	2,403,470
	<u>1,452,429</u>	<u>2,403,470</u>
Donations are received through various platforms like EFT's, Snapscan, PayPal, Back-a-Buddy and MySchool.		
<b>5. Finance income</b>		
Interest income		
Money Market Interest	77,542	172,261
	<u>77,542</u>	<u>172,261</u>

### 6. Events

Fund raising events during the year consisted out of a Everest Base Camp Virtual Race. Due to the COVID-19 pandemic and the regulations put in place by the Government, no other events took place.

### 7. Commission Charges

Commission charges consist of commission paid for the use of crowd funding platforms like Back-a-Buddy which charges a percentage for the use of the platform.

In the current year, the system has been updated and the donations that are shown reflects the amounts after deduction of the commissions raised by the platforms.

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### **Notes to the Annual Financial Statements**

#### **8. Donations made for project specific expenses**

During the year donations were made to the Smile Foundation specifically to support the U-Matter Mentoring Programme and the refurbishment of the burn unit of the Kimberley Hospital, which projects were managed by the Smile Foundation.

A new laser machine was bought in the 2020 Financial Year for the Chris Hani Baragwanath Hospital for the amount of R805,000.

#### **9. Income tax expense**

No provision has been made for 2021 tax as the trust is exempt from paying income tax.

#### **10. Events after balance sheet date**

In March 2020 the Government of South Africa announced a national lockdown due to the COVID-19 pandemic. Due to the planning and approach followed by the trustees of the trust, the lockdown will not affect current projects currently in the pipeline, as the approach is to first obtain the funds before a project is started.

The inflow of donations has dropped as donors are affected by the lockdown due to the pandemic. The Trustees are however confident that the trust will still be able to execute their duty as per the Trust Deed.