

St David's Marist Foundation Trust
(Registration number I.T. 4826/06)

Annual Financial Statements
for the year ended 31 December 2019

D. Phillips & Co
Chartered Accountant (SA)
Registered Auditors
Issued 14 May 2020

St David's Marist Foundation Trust

(Registration number: I.T. 4826/06)

Annual Financial Statements for the year ended 31 December 2019

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter vivos
Trustees	AG Hall SJ Denny AJ Chappel Br. GE Pieterse CJ McFadden DM Caister GV Mariano LJ Klement M Thiel MC Greeff T Sithole MHR Bussin NO Clogg
Beneficiary	St David's Marist Inanda School
Registered office	36 Rivonia Road Inanda Sandton Johannesburg 2196
Postal address	PO Box 55026 Northlands Sandton 2116
Bankers	Standard Bank
Auditor	D. Phillips & Co Chartered Accountant (SA) Registered Auditors 10 Sandra Crescent Boskruin Ext. 16 Randburg Johannesburg 2154
Trust registration number	I.T. 4826/06
Tax reference number	0017/544/17/2
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.
Issued	14 May 2020

St David's Marist Foundation Trust

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Annual Financial Statements for the year ended 31 December 2019

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Annual Financial Statements for the year ended 31 December 2019

Trustees' Responsibilities and Approval

The trustees are 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 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 International Financial Reporting Standard for Small and Medium-sized Entities.

The annual 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 and supported by reasonable and prudent judgments 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 board of 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, they are satisfied that the trust has or have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor and their report is presented on page 6.

The annual financial statements set out on pages 8 to 14, which have been prepared on the going concern basis, were approved by the board of trustees on 14 May 2020 and were signed on its behalf by:

Approval of annual financial statements



Trustee

Trustee

St David's Marist Foundation Trust

(Registration number: I.T. 4826/06)

Annual Financial Statements for the year ended 31 December 2019

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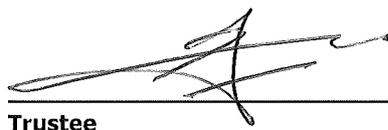
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Approval of annual financial statements

Trustee



Trustee

St David's Marist Foundation Trust

(Registration number: I.T. 4826/06)

Annual Financial Statements for the year ended 31 December 2019

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of St David's Marist Foundation Trust for the year ended 31 December 2019.

1. Nature of business

The trust is engaged in fund-raising and monitoring activities in support of the St David's Marist Inanda School bursary and project funding and operates principally in Johannesburg, South Africa.

The trust receives both restricted and unrestricted donations. Donations are allocated appropriately to the activity which best suits the donation (unrestricted donations). However, in certain specific cases, a donor would require the donated funds to be specifically utilised in a particular way (restricted donations). Of all the donations received, approximately 70% of these are restricted.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. 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.

3. Beneficiaries

The beneficiary of the trust during the accounting year and up to the date of this report is as follows:

Name

St David's Marist Inanda School

4. Trustees' benefits

The trustees derive no benefits and do not receive any remuneration for acting as a Trustee.

5. Trustees

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

Trustees	Changes
AG Hall	
SJ Denny	
AJ Chappel	
Br. GE Pieterse	
CJ McFadden	
DM Caister	
GV Mariano	
LJ Klement	
M Thiel	
MC Greeff	
T Sithole	
MHR Bussin	Appointed 21 May 2019
NO Clogg	Appointed 21 May 2019
WJ Castle	Resigned 21 May 2019

6. Trust liabilities

Liabilities incurred on behalf of the trust are liabilities of the trust. The trustees shall be indemnified out of the trust funds against all claims or demands of whatever nature that may be made upon them arising out of the exercise or purported exercise of any powers conferred upon them by the trust.

7. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

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Trustees' Report

8. Auditors

D. Phillips & Co was appointed as the new auditors for the trust for 2019.

They will continue in office for the 2020 financial year.

Independent Auditor's Report

To the trustees of St David's Marist Foundation Trust

Opinion

I have audited the annual financial statements of St David's Marist Foundation Trust (the trust) set out on pages 8 to 14, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of St David's Marist Foundation Trust as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of my report. I am independent of the trust 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 annual financial statements in South Africa. I have fulfilled my 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "St David's Marist Foundation Trust annual financial statements for the year ended 31 December 2019", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988 and the Statement of Comprehensive Income, which we obtained prior to the date of this report. The other information does not include the annual financial statements and my auditor's report thereon.

My opinion on the annual financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the annual financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



D. Phillips & Co
Chartered Accountant (SA)
Registered Auditors

14 May 2020
Johannesburg

10 Sandra Crescent
Boskruin Ext. 16
Randburg
Johannesburg
2154

St David's Marist Foundation Trust

(Registration number: I.T. 4826/06)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Financial assets	2	26,364,204	23,456,614
Current Assets			
Cash and cash equivalents	3	2,407,234	2,490,747
Total Assets		28,771,438	25,947,361
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		6,746,460	5,177,834
Accumulated surplus		22,024,878	20,769,427
		28,771,438	25,947,361
Total Equity and Liabilities		28,771,438	25,947,361

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Statement of Comprehensive Income

	Note(s)	2019 R	2018 R
Revenue			
Donations received		2,751,915	2,854,336
Other income			
Fair value adjustments	6	1,568,626	-
Operating expenses			
Administration and management fees		7,368	3,168
Bank charges		8,110	8,419
Loss on disposal of investments		-	787,205
Other disbursements - Discretionary OPEX Business Development Budget		100,000	75,541
Portfolio administration fee		28,424	20,168
		143,902	894,501
Operating surplus		4,176,639	1,959,835
Investment income	5	1,455,107	1,181,816
Fair value adjustments	6	-	(196,098)
Awards granted	11	(2,807,669)	(1,711,792)
		(1,352,562)	(726,074)
Surplus for the year		2,824,077	1,233,761
Other comprehensive income		-	-
Total comprehensive income for the year		2,824,077	1,233,761

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Statement of Changes in Equity

	Trust capital	Fair value adjustment asset-available for sale reserve	Accumulated surplus	Total equity
	R	R	R	R
Balance at 01 January 2018	100	5,373,932	19,339,568	24,713,600
Total comprehensive income for the year	-	-	1,233,761	1,233,761
Transfer between reserves	-	(196,098)	196,098	-
Balance at 01 January 2019	100	5,177,834	20,769,427	25,947,361
Total comprehensive income for the year	-	-	2,824,077	2,824,077
Transfer between reserves	-	1,568,626	(1,568,626)	-
Balance at 31 December 2019	100	6,746,460	22,024,878	28,771,438

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Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash (used in) generated from operations	8	(199,656)	1,416,058
Interest income		1,097,355	895,791
Dividends received		357,752	286,025
Net cash from operating activities		1,255,451	2,597,874
Cash flows from investing activities			
Net movement in financial assets		(1,338,964)	(9,171,957)
Net cash from investing activities		(1,338,964)	(9,171,957)
Total cash movement for the year		(83,513)	(6,574,083)
Cash at the beginning of the year		2,490,747	9,064,830
Total cash at end of the year	3	2,407,234	2,490,747

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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 International Financial Reporting Standard for Small and Medium-sized Entities. 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.

These accounting policies are consistent with the previous period.

1.1 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 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.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.2 Tax

In terms of Section 10(1)(cN) of the Income tax Act, the Foundation has been approved as a public benefit organisation. Accordingly, it is exempt from taxation.

1.3 Revenue

Donations are recognised on a cash basis and accrued for where pledges have been received for which there is a high degree of certainty that they will be received prior to the preparation of the Trust's annual report.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

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Notes to the Annual Financial Statements

	2019 R	2018 R
2. Financial assets		
At fair value		
Unit trusts - Momentum Flexible Investment Option	11,071,348	10,197,989
Unit trusts - BCI Flexible Fund	15,292,856	13,258,625
	26,364,204	23,456,614
Non-current assets		
At fair value	26,364,204	23,456,614
The fair values of listed or quoted investments are based on the quoted market price at reporting period date.		
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	32,142	18,371
Short-term deposits	2,375,092	2,472,376
	2,407,234	2,490,747
4. Donations received		
Business in Education B-BBEE Bursary Fund	20,867	-
Chiba Family Trust Fund	25,000	-
Community Development Fund	500	645
Cultural Development Fund	26,997	41,129
Endowment Fund	188,836	239,450
Fr. Bernard Brewer Bursary Fund	1,749,116	1,976,264
Kwape Mmela Bursary Fund	406,500	291,000
Maristonian	51,949	59,789
Mizpah Bursary Fund	34,500	-
Old Boys Bursary Fund	17,940	37,240
Sports Development Fund	37,602	63,891
Staff Bursary Fund	59,620	77,110
Tertiary Education Bursary Fund	114,200	48,530
Willy & Dorothy Castle Extramural Bursary Fund	18,288	19,288
	2,751,915	2,854,336
5. Investment revenue		
Dividend revenue		
Listed financial assets - Local	357,752	286,025
Interest revenue		
Listed financial assets	1,000,437	827,241
Bank	87,718	59,787
Other interest - REIT	9,200	8,763
	1,097,355	895,791
	1,455,107	1,181,816
6. Fair value adjustments		
Financial assets	1,568,626	(196,098)

St David's Marist Foundation Trust

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Notes to the Annual Financial Statements

	2019 R	2018 R
7. Taxation		
No provision has been made for 2019 tax as the trust is exempt from income tax under Section 10(1)(cN) of the Income Tax Act.		
8. Cash (used in) generated from operations		
Surplus before taxation	2,824,077	1,233,761
Adjustments for:		
Deficit on sale of assets	-	787,205
Dividends received	(357,752)	(286,025)
Interest received	(1,097,355)	(895,791)
Fair value adjustments	(1,568,626)	196,098
Changes in working capital:		
Trade and other receivables	-	537,900
Trade and other payables	-	(157,090)
	(199,656)	1,416,058

9. Commitments

The Foundation has made commitments to award approximately 4% to 6% of its opening capital each year to fund qualifying bursaries and related projects to St David's Marist Inanda School. In particular, this commitment is related to annual funding of students selected for support until they complete their studies at or leave St David's. These commitments are considered sufficient to be provided for from the annual award policy of the Foundation.

The Foundation confirms that this commitment has been met in the 2019 financial year with awards of 10,8% (2018:6,9%) of the Opening Capital having been disbursed.

10. Related parties

Certain of the Foundation's Trustees are Officers of the St David's Marist Inanda School's Governors and Executive staff. The St David's Marist Inanda finance department provides accounting services to the Foundation.

Relationships

Beneficiary St David's Marist Inanda School

11. Awards granted

Awards granted to St David's Marist Inanda, students and other qualifying beneficiaries are made usually in the first quarter of each calendar year. These donations are in the most part to qualifying students for school fees.

The amounts awarded from donations and pledges received are as follows:

Community Development Fund	-	645
Cultural Development Fund	20,000	14,498
Fr. Bernard Brewer Bursary Fund	2,219,508	1,554,119
Kwape Mmela Bursary Fund	406,675	31,000
Old Boys Bursary Fund	39,497	-
Sports Development Fund	32,899	63,000
Tertiary Education Bursary Fund	89,090	48,530
	2,807,669	1,711,792

12. Public benefit organisation

St David's Marist Foundation has been registered as a public benefit organisation under registration number 9300/233/85 and may issue tax certificates to donors in terms of Section 18A of the Income Tax Act.