

UKUTHEMBA FOUNDATION NPC

(Registration Number 2007/034295/08)

**Annual Financial Statements
for the year ended 29 February 2016**



Compiled Financial Statements

in compliance with Companies Act 71 of 2008

Prepared by: GG Annual Financial Solutions CC

Professional designation: Chartered Accountants (SA)

Reviewed by: CB Ahrens

Professional designation: Chartered Accountant (SA)

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

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General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The company is a Non Profit Company (previously incorporated under Section 21 of the 1973 Companies Act of South Africa) and operates a children's home for orphaned and abused children in Cape Town
MANAGEMENT	Irene Ivy Schuurmans Kim Killeen Louise Killeen
REGISTERED OFFICE	1 The Poplars Poplar Avenue Thornton 7405
BUSINESS ADDRESS	1 The Poplars Poplar Avenue Thornton 7405
BANKERS	First National Bank a Division of FirstRand Group
Income Tax Registration Number	9270593172
PBO Number	9300313714
COMPILERS	GG Annual Financial Solutions CC Anchor House Greenford Office Estate Punters Way Kenilworth 7700

Report of the Compiler

To the Management of Ukuthemba Foundation NPC

We have compiled the accompanying annual financial statements of Ukuthemba Foundation NPC based on information you have provided. These annual financial statements comprise the statement of financial position of Ukuthemba Foundation NPC as at 29 February 2016, 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 on the basis of accounting described in Note 2 to the financial statements. 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 basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act of South Africa.



CB Ahrens

Chartered Accountant (SA)

Registration No: 09106709

GG Annual Financial Solutions CC

Chartered Accountants (SA)

Registration No: 20010108

10 December 2019

Anchor House

Greenford Office Estate

Punters Way

Kenilworth

7700



The Chartered Accountant (South Africa) Declaration

The following annual financial statements of Ukuthemba Foundation NPC presented on pages 7 to 12 have been independently compiled by a Chartered Accountant (South Africa) (CA(SA)). Refer to compilation report on page 3.

Use of the CA(SA) designation is governed by the Chartered Accountants Designation (Private) Act, 1993 (Act 67 of 1993), which regulates and permits the use of the CA(SA) designation exclusively by members of The South African Institute of Chartered Accountants (SAICA). Use of the designation without SAICA membership is consequently a criminal offence, and misuse is subject to legal action.

SAICA is the premier accountancy body in South Africa and one of the leading chartered accountancy institutes in the world and all members must comply with the Code of Professional Conduct which conforms to the code released by the International Ethics Standards Board for Accountants (IESBA). The SAICA code and definitions contained therein are consistent in all material aspects with the International Federation of Accountants' (IFAC) code as well as the Independent Regulatory Board for Auditors (IRBA) code.

The following fundamental principles are embodied in the SAICA Code of Professional Conduct and are to be upheld by all CAs(SA) at all times.

- Integrity – a duty to be straightforward and honest in all professional and business relationships.
- Objectivity – a duty to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- Professional competence and due care – a duty to maintain professional knowledge and skill at the level required to ensure that a client receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- Confidentiality – a duty to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the chartered accountant or third parties.
- Professional behaviour – a duty to comply with relevant laws and regulations and avoid any action that discredits the accountancy profession.

A distinguishing characteristic of CAs(SA) are their responsibilities and duties which extend beyond the needs of individual clients and also includes the public as a whole.

Accordingly, this declaration serves to confirm that the above mentioned financial statements have been prepared by a CA(SA) who has observed and complied with the SAICA Code.

CB Ahrens

Chartered Accountant (SA)

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Annual Financial Statements for the year ended 29 February 2018

Management's Responsibilities and Approval

Management 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 in the presentation of 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.


Management 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 management to meet these responsibilities, the management committee 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 organisation's 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.

Management 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 management 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 7 to 12 were approved by the management committee on 10 December 2019 and were signed on its behalf by:



Irene Jw Schuurmans



Kim Killeen



Louise Killeen

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Annual Financial Statements for the year ended 29 February 2016

Management's Report

The management committee present their report for the year ended 29 February 2016.

1. Review of activities

Main business and operations

The principal activity of the organisation is the company is a Non Profit Company (previously incorporated under Section 21 of the 1973 Companies Act of South Africa) and operates a children's home for orphaned and abused children in Cape Town and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

4. Management's interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. Management

The management of the organisation during the year and to the date of this report are as follows:

Irene Ivy Schuurmans
Kim Killeen
Louise Killeen

6. Compilers

GG Annual Financial Solutions CC were the compilers for the year under review.

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Financial Statements for the year ended 29 February 2016

Statement of Financial Position

Figures in R	Note	2016	2015
Assets			
Current Assets			
Cash and cash equivalents	3	<u>793,615</u>	<u>328,448</u>
Total Assets		<u>793,615</u>	<u>328,448</u>
Reserves and Liabilities			
Reserves			
Retained earnings		<u>793,615</u>	<u>328,448</u>
Total Reserves and Liabilities		<u>793,615</u>	<u>328,448</u>

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Statement of Comprehensive Income

Figures in R	Note	2016	2015
Revenue	4	1,544,340	1,385,293
Other income		10,615	-
Operating costs		<u>(1,102,590)</u>	<u>(1,078,618)</u>
Operating surplus		452,365	306,675
Finance income		12,805	3,746
Finance costs		<u>(3)</u>	<u>(15)</u>
Surplus for the year		<u>465,167</u>	<u>310,406</u>

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Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 March 2014	18,042	18,042
Surplus for the year	310,406	310,406
Balance at 28 February 2015	328,448	328,448
Balance at 1 March 2015	328,448	328,448
Surplus for the year	465,167	465,167
Balance at 29 February 2016	793,615	793,615

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Statement of Cash Flows

Figures in R	2016	2015
Cash flows from operating activities		
Surplus for the year	465,167	310,406
<i>Adjustments for:</i>		
Finance costs	3	15
Investment income	(12,805)	(3,746)
Net cash flows from operations	452,365	306,675
Investment income	12,805	3,746
Finance costs	(3)	(15)
Net cash flows from operating activities	465,167	310,406
Net increase in cash and cash equivalents	465,167	310,406
Cash and cash equivalents at beginning of the year	328,448	18,042
Cash and cash equivalents at end of the year	793,615	328,448

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Accounting Policies

1. General information

Ukuthemba Foundation NPC is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as 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

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

Revenue is recognised on the cash basis, as and when the cash is received.

2.1.1 Interest income

Interest income is recognised using the effective interest rate method.

2.2 Income taxes

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the 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.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

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Notes to the Annual Financial Statements

Figures in R	2016	2015
3. Cash and cash equivalents		
Favourable cash balances		
Business Bank Account	1,657	849
Money Market Bank Account	791,958	327,599
	<u>793,615</u>	<u>328,448</u>
Current assets	<u>793,615</u>	<u>328,448</u>
	<u>793,615</u>	<u>328,448</u>

4. Revenue

An analysis of revenue is as follows:

Funding received	<u>1,544,340</u>	<u>1,385,293</u>
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5. Income tax expense

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

No provision has been made for taxation as the organisation is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act.

6. Directors' emoluments

No emoluments have been awarded to the directors for the year under review.

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Detailed Income Statement

Figures in R	2016	2015
Gross Revenue		
Funding received	1,544,340	1,385,293
	<u>1,544,340</u>	<u>1,385,293</u>
Other Income		
Insurance Refund	10,615	-
Investment income	12,805	3,746
	<u>23,420</u>	<u>3,746</u>
	<u>1,567,760</u>	<u>1,389,039</u>
Expenditure		
Accounting fees	342	285
Advertising	1,549	-
Bank charges	8,825	26,996
Computer expenses	1,318	100
Consumables	113,888	623,964
Electricity and water	15,630	26,437
Finance costs	3	15
Insurance	9,577	8,107
Lease rental on operating lease	802,323	222,856
Motor vehicle expense	13,615	6,958
Postage	-	291
Printing and stationery	224	944
Repairs and maintenance	2,927	18,201
Security	962	7,521
Telephone and fax	7,585	5,434
Wages	123,825	130,524
	<u>1,102,593</u>	<u>1,078,633</u>
Surplus for the year	<u>465,167</u>	<u>310,406</u>