**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**

**REGISTRATION NUMBER: 2010/019483/08**

# ANNUAL FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 DECEMBER 2017

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**REGISTRATION NUMBER: 2010/019483/08**

**ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

## STATEMENT OF DIRECTORS RESPONSIBILITY & APPROVAL

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Imbeleko Dr Seni Myeni Foundation Non Profit Company. The annual financial statements presented on pages 7 to 20 have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's), and include amounts based on judgements and estimates made by management.

The Directors consider that in preparing the annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS for SME's statements that they consider to be applicable have been followed. The Directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Company at year end.

The Directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Company to enable the Directors to ensure that the financial statements comply with relevant legislation.

The Directors are also responsible for the Company's system 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 Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the YEAR under review.

The going concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the Company will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Company.

The annual financial statements have been audited by the independent accounting firm CJ & Associates which was given unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

The annual financial statements set out on pages 7 to 18 and the unaudited detailed statement of comprehensive income and supplementary schedules set out on page 19 & 20 was approved by the Directors and are signed by them:

| | |
|---|---|
| LT Myeni | 16 April 2018 |
| Director | Date |

CJ & Associates
Consulting & Audit
12 Round the Green, Sunningdale, 4019
P.O. Box 3698, Sunningdale, 4019
Tel: 27 82 383 6998
Fax: 086 520 6497
e-mail: Charmaine_cj@netactive.co.za

# INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY

## Qualified Opinion

We have audited the financial statements of Imbeleko Dr Seni Myeni Foundation Non Profit Company set out on pages 8 to 18, which comprise statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Imbeleko Dr Seni Myeni Foundation Non Profit Company as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's).

## Basis for Qualified Opinion

Cash donations are a significant source of fundraising revenue for Imbeleko Dr Seni Myeni Foundation Non Profit Company. The Directors have determined that it is impracticable to establish internal controls over the collection of cash donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all cash donations were recorded.

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 are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the unaudited detailed statement of comprehensive income. The 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 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 Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors 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 Directors are responsible for assessing the entity'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 Directors either intend to liquidate the entity 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' 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 entity'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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

CJ & Associates.

___________________________

CJ & Associates
IRBA PRACTICE No. 902 640

Per: C Jugnarayan
AUDIT DIRECTOR
REGISTERED AUDITOR

DURBAN

DATE: 16 April 2018

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**DIRECTORS' REPORT**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The Directors present their report for the year ended 31 December 2017. This report forms part of the annual financial statements.

**Review of Activities**
The Company continued its operations to achieve its objective as a non profit organisation to provide education and skill development to orphaned girls in rural communities.

**Financial Results**
The results of the Company and the state of affairs are set out in the attached annual financial statements.

**Post Balance Sheet Review**
No material facts or circumstances have occurred either during the financial year or between the balance sheet date and date of this report, which are material to the appreciation of the annual financial statements, other than those disclosed herein.

| | |
|---|---|
| **Country of Incorporation:** | South Africa |
| **Registration Number** | 2010/019483/08 |
| **Directors:** | LTS Myeni<br>IP Moutoatse-Makine<br>SL Nyoka<br>CN Myeni |
| **Bankers:** | First National Bank of South Africa Limited |
| **Auditors:** | CJ & Associates |
| **Registered Office** | 0804229 Kwanyuswa<br>Manqoba Road<br>Bothas Hill, 3660 |
| **Postal Address** | P.O. Box 526<br>Bothas Hill, 3660 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017<br>R | 2016<br>R |
|---|---|---|---|
| **Income** | | 3 400 952 | 739 545 |
| Operating expenses | | 2 978 139 | 1 049 545 |
| **Operating surplus/(loss)** | 3 | 422 813 | (310 000) |
| Interest received | | | - |
| Interest paid | | (1) | (1) |
| **Surplus/(loss) for the year** | | 422 812 | (310 001) |
| Taxation | 4 | - | - |
| **Surplus/(loss) after taxation** | | 422 812 | (310 001) |
| Accumulated loss at beginning of year | | (733 177) | (423 176) |
| **Accumulated loss at end of year** | | (310 365) | (733 177) |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**STATEMENT OF FINANCIAL POSITION**
**AT 31 DECEMBER 2017**

| | Notes | 2017<br>R | 2016<br>R |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Deposit paid | **5** | 75 000 | - |
| Cash and cash equivalents | | 163 228 | 23 258 |
| **TOTAL CURRENT ASSETS** | | 238 228 | 23 258 |
| **NON CURRENT ASSETS** | | | |
| Equipment | **6** | 177 452 | 12 488 |
| **TOTAL ASSETS** | | 415 680 | 35 746 |
| **RESERVES & LIABILITIES** | | | |
| **RESERVES** | | | |
| Accumulated loss | | (310 365) | (733 177) |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | 8 000 | 19 000 |
| Loans from related parties | **7** | 648 162 | 749 923 |
| Deferred grant income | | 69 883 | - |
| **TOTAL CURRENT LIABILITIES** | | 726 045 | 768 923 |
| **TOTAL RESERVES AND LIABILITIES** | | 415 680 | 35 746 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017<br>R | 2016<br>R |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus/(loss) for the year | | 422 813 | (310 000) |
| Adjusted for: | | | |
| Depreciation | | 10 008 | 3 463 |
| Loss on disposal of asset | | 4 028 | |
| Changes in operating assets & liabilities | | | |
| Increase in trade & other receivables | | (75 000) | - |
| Decrease in trade & other payables | | (42 878) | 328 663 |
| Cash generated from operations | | 318 971 | 22 126 |
| Interest received | | - | - |
| Interest paid | | (1) | (1) |
| *Net cash inflow from operating activities* | | 318 970 | 22 125 |
| **Cash flows from investing activities** | | | |
| Additions to equipment | | (179 000) | (6 989) |
| *Net cash outflow from investing activities* | | (179 000) | (6 989) |
| Net increase in cash & cash equivalents | | 139 970 | 15 136 |
| Cash and cash equivalents at beginning of year | | 23 258 | 8 122 |
| Cash and cash equivalents at end of year | **8** | 163 228 | 23 258 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs) issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these annual financial statements have been consistently applied to all years presented, in all material respects unless otherwise stated.

### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with IFRS for SMEs. The annual financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2.

### 1.2 Going concern

The annual financial statements have been prepared on a going concern basis.

### 1.3 Cash and cash equivalents

Cash and cash equivalents are carried at cost.

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, and deposits held on call with banks and investments in money market instruments, net of bank overdrafts.

### 1.4 Trade receivables and loans

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are stated at their nominal value as reduced by appropriate allowances for the estimated irrecoverable amounts.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

### 1.5 Equipment

Equipment represents tangible items that are held for use in the supply of services and for administrative purposes and are expected to be used during more than one year.

Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment value. Costs include the cost of replacing part of such equipment when that cost is incurred if the recognition criteria are met.

Depreciation is calculated on cost using the straight-line method over the remaining year from acquisition date to the end of the assets useful life. The annual depreciation rates are based on the following estimates:

| | |
|---|---|
| Computer equipment | 33.33 % |
| Office Equipment | 20.00 % |
| Furniture & fittings | 16.67 % |

Subsequent expenditure relating to an item of equipment is capitalized when it is probable the future economic benefits will flow to the entity and the cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

Equipment is derecognised upon disposal or when no future economic benefits are expected to flow from its use or disposal. Any gain or loss on de-recognition of the asset (calculated between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Minor assets, with a cost of R500 or less, are not capitalised but expensed on acquisition.

The asset’s residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

### 1.6 Trade payables and loans

The company’s principal financial liabilities comprise trade and other payables and loans payable.

Trade and other payables and loans payable are stated at their nominal value.

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

### 1.7 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

### 1.7 Provisions (Continued)

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 1.8 Impairment of assets

The Directors assess at each balance sheet date whether an asset is impaired. Impairment losses on trade and other receivables are determined based on specific and objective evidence that assets are impaired and measured as the difference between the carrying amount of the asset and the estimated cash flows.

Impairment losses are recognised in profit and loss. If, in a subsequent YEAR, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed the amortised cost at the reversal date.

### 1.9 Taxation

The Company is approved as a public benefit organisation in terms of section 30(1)(a)(i) of the Income tax Act.

- The receipts and accruals are exempt from income tax in terms of section 10(1)(cN) and section 18A of the Income Tax Act.
- Donations by or to the organisation are exempt from donations tax in terms of section 56(1)(h) of the Act.
- Bequests or accruals from estates of deceased persons in favour of the organisation are exempt from payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.
- In terms of section 4(1)(f) of the Stamp Duties Act, 1968, any instrument which is executed by or on behalf of the organisation is exempt from stamp duty, if the duty thereon would be legally payable and borne by the organisation.

### 1.10 Revenue recognition

Revenue represents the gross inflow of economic benefits during the year arising in the course of the ordinary activities when those inflows result in increase in equity/reserves.

Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met before revenue is recognised:
- Interest income is recognised as interest income accrues, and is accounted for at the end of each month.
- Other income is accrued as and when it occurs.

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

### 1.11 Donations

Donations comprise cash and goods donated to the Company.
Income from donations, including legacies and bequests is recognised when received.

**Donations of assets**
All assets donated to the Company are initially recorded at fair value at the date of the acquisition, being the estimated net realisable value of the assets at the date the assets are donated to the Company. This value is recognised as a donation in the statement of financial performance.'

**Donations "in kind"**
Donations "in kind" occur from time to time when members of the public donate food, clothes, etc to the Shelter. These are recorded as revenue in the statement of financial performance at fair value, with an equal amount being expensed to which they relate.

**Donations of goods and services**
Resources received in the form of intangible income such as donated facilities, voluntary help or beneficial loan arrangements, the value of which cannot be accurately quantified, are not included in the financial statements.

### 1.12 Grants Received

Grants received are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

## 2. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future.

### 2.1 Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

## 2. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

### 2.2 Judgements in applying the entity's accounting policies

***Fair value of investments and other financial instruments***
The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. The estimation of fair value of unlisted shares includes some assumptions not supported by observable market prices or rates.

| | 2017<br>R | 2016<br>R |
|---|---|---|
| **3. OPERATING PROFIT** | | |
| **Operating profit for the year is arrived at after taking into account: -** | | |
| Audit fees | 8 000 | 7 000 |
| Depreciation | 10 008 | 3 463 |
| Loss on disposal of asset | 4 028 | - |

## 4. TAXATION

No taxation has been provided as the Company has obtained exemption under section 10(1)(cN) and 18A of the Income Tax Act.

## 5. DEPOSIT PAID

| | | |
|---|---|---|
| Deposit paid refers to funds paid in respect of the purchase of land from the Dube Foundation, the sale of which was not yet concluded at year end. | 75 000 | - |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

## 6. EQUIPMENT

| **2017 COST** | **Opening balance R** | **Additions R** | **Disposals R** | **Closing balance R** |
|---|---|---|---|---|
| Computer equipment | 4 195 | 22 000 | (7 000) | 19 195 |
| Office equipment | 6 989 | 7 000 | - | 13 989 |
| Furniture & fittings | 6 100 | - | - | 6 100 |
| Books | - | 150 000 | - | 150 000 |
| | 17 284 | 179 000 | (7 000) | 189 284 |

| **ACCUMULATED DEPRECIATION** | **Opening balance R** | **Current depreciation R** | **Disposals R** | **Closing balance R** |
|---|---|---|---|---|
| Computer equipment | 2 731 | 6 426 | (2 972) | 6 185 |
| Office equipment | 1 048 | 2 565 | - | 3 613 |
| Furniture & fittings | 1 017 | 1 017 | - | 2 034 |
| | 4 796 | 10 008 | (2 972) | 11 832 |

| **2016 COST** | **Opening balance R** | **Additions R** | **Disposals R** | **Closing balance R** |
|---|---|---|---|---|
| Computer equipment | 4 195 | - | - | 4 195 |
| Office equipment | - | 6 989 | - | 6 989 |
| Furniture & fittings | 6 100 | - | - | 6 100 |
| | 10 295 | 6 989 | - | 17 284 |

| **ACCUMULATED DEPRECIATION** | **Opening balance R** | **Current depreciation R** | **Disposals R** | **Closing balance R** |
|---|---|---|---|---|
| Computer equipment | 1 333 | 1 398 | - | 2 731 |
| Office equipment | - | 1 048 | - | 1 048 |
| Furniture & fittings | - | 1 017 | - | 1 017 |
| | 1 333 | 3 463 | - | 4 796 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

## 6. EQUIPMENT (Continued)

| | 2017<br>R | 2016<br>R |
|---|---|---|
| **Carrying value** | | |
| Computer equipment | 13 010 | 1 464 |
| Office equipment | 10 376 | 5 941 |
| Furniture & fittings | 4 066 | 5 083 |
| Books | 150 000 | - |
| | 177 452 | 12 488 |
| **Equipment reconciliation** | | |
| Opening carrying value | 12 488 | 8 962 |
| Additions | 179 000 | 6 989 |
| Disposals | (4 028) | - |
| Current year depreciation | (10 008) | (3 463) |
| Closing carrying value | 177 452 | 12 488 |

## 7. LOANS FROM RELATED PARTIES

| | 2017<br>R | 2016<br>R |
|---|---|---|
| **Loan from Director:** | | |
| LTS Myeni | 648 162 | 749 923 |

This loan bears no interest, is unsecured and has no fixed terms of repayment.

Director, LTS Myeni represents, as at 31 December 2017, a significant creditor of Imbeleko Dr Seni Myeni Foundation Non Profit Company in the amount of R648 162 and subordinates R310 365 of its claim in favour of other creditors.

## 8. CASH AND CASH EQUIVALENTS

Bank balances and cash comprise cash held with registered banking institutions:

| | 2017<br>R | 2016<br>R |
|---|---|---|
| Cash at bank and on hand | 163 228 | 23 258 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2017 CONTINUED**

| | 2017 R | 2016 R |
|---|---|---|
| **9. RELATED PARTY INFORMATION** | | |
| **9.1 Identity of Related Parties** | | |
| The following Directors are related parties to the Company: | | |
| LTS Myeni | | |
| IP Moutoatse-Makine | | |
| SL Nyoka | | |
| CN Myeni | | |
| **9.2 Material related party transactions** | | |
| Related party loans are disclosed in note 7 | | |
| Consulting fees - LTS Myeni | 385 000 | 360 000 |
| **9.3 Key management remuneration** | | |
| No key management remuneration paid | | |

## 10. RISK MANAGEMENT

### 10.1 Liquidity risk:

Liquidity risk is the risk that the Company will be unable to service payment obligations timeously or fund asset growth.
The Company's risk to liquidity is a result of the funds available to cover future commitments.
The Company manages liquidity risk through an ongoing review of budgets and current commitments.
Cash flow forecasts are prepared and are monitored.

### 10.2 Credit risk:

Credit risk is the risk of potential loss from the failure of customers, clients or counter parties to fulfil obligations to the Company.
Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.
Trade receivables comprise trade debtors, and loans receivables. Management evaluates credit risk on an ongoing basis.
The Company is not exposed to guarantees for the financing facilities.

### 10.3 Interest rate risk:

Interest rate risk refers to the potential adverse impact on earnings as a result of changes in interest rates.
Deposit and financial instruments attract interest at rate that vary with prime. The Company policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit/(loss).

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017<br>R | 2016<br>R |
|---|---|---|---|
| **Revenue** | | 3 400 952 | 739 545 |
| Donations received | | 860 286 | 727 545 |
| Donations in kind | | 739 719 | 12 000 |
| Grant funding income recognised | | 1 800 947 | - |
| **Operating expenses** | | 3 053 139 | 1 049 545 |
| Accounting fees | | 18 000 | 13 750 |
| Advertising & promotions | | 10 202 | 3 933 |
| Audit fees | | 8 000 | 7 000 |
| Bank charges | | 9 403 | 5 265 |
| Building expenses | | 152 681 | 8 548 |
| Cleaning expenses | | - | 1 654 |
| Computer expenses | | 15 943 | 9 785 |
| Consulting fees | | 494 550 | 398 000 |
| Courier & postage | | 906 | - |
| Depreciation | | 10 008 | 3 463 |
| Direct fundraising expenses | **N1** | 1 480 037 | 273 469 |
| Electricity and water | | 4 000 | 1 050 |
| Food & meals | | 19 467 | 6 046 |
| General expenses | | 6 002 | 10 202 |
| Insurance | | 6 798 | - |
| Leasing & hire costs | | 30 847 | - |
| Loss on disposal of asset | | 4 028 | - |
| Medical expenses | | 6 035 | - |
| Meeting expenses | | 24 371 | 3 312 |
| Office expenses | | 1 846 | 3 255 |
| Printing & stationery | | 3 621 | 19 058 |
| Rent expenses | | 18 000 | 12 000 |
| Repairs & maintenance | | 26 859 | 2 574 |
| Sundry expenses | | 5 475 | 4 116 |
| Stationery expenses | | 208 308 | - |
| Stipends | | 5 479 | - |
| Telephone & fax | | 63 455 | 15 597 |
| Transport & stipends | | 84 319 | 142 253 |
| Travel & accommodation | | 278 077 | 89 513 |
| UIF paid | | 3 987 | |
| Workshop & training | | 52 435 | 15 702 |
| **Operating surplus/(loss)** | | 347 813 | 310 000 |

**IMBELEKO DR SENI MYENI FOUNDATION NON PROFIT COMPANY**
**REGISTRATION NUMBER: 2010/019483/08**

**SUPPLEMENTARY SCHEDULE**
**FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017<br>R | 2016<br>R |
|---|---|---|---|
| **N1 Direct Fundraising Expenses** | | | |
| **Is made up as follows:** | | | |
| ASK High School | | 8 033 | 33 536 |
| ASK Primary School | | 53 746 | 5 288 |
| Boarding School Programme | | 1 161 792 | 86 989 |
| Entrepreneurship Programme | | 3 082 | - |
| Family Support Programme | | 5 194 | 5586 |
| Health programme | | 152 974 | 136 169 |
| Hiking programme | | 12 341 | - |
| Holiday Programme | | 15 324 | 5 901 |
| Nutrition Programme | | 65 300 | - |
| Scholarship | | 2 250 | - |
| | | 1 480 037 | 273 469 |