

**Stellumthombo NPC
(Registration number 2016/064326/08)
Financial statements
for the period ended 31 December 2018**

Stellumthombo NPC
(Registration number: 2016/064326/08)
Financial Statements for the period ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Directors	Petrus Johannes Bestbier Izak Johannes van der Merwe Marida van der Merwe Jan Christoffel Greyling Jan de Wit van Zyl
Registered office	2 Drostdy Street Stellenbosch 7600
Postal address	2 Drostdy Street Stellenbosch 7600
Auditors	PricewaterhouseCoopers Inc.
PBO Number	930053599
Tax reference number	9204157227
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The audited financial statements were externally compiled under the supervision of: PJ Muller CA (SA)

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial period 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. External auditor is engaged to express an independent opinion on the financial statements.

The 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 judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the period to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.


The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the directors on 12/09/2019 and were signed on their behalf by:



Director



Director



Independent auditor's report

To the Members of Stelumthombo NPC

Our qualified opinion

In our opinion, except for the possible effects 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 Stelumthombo NPC (the Company) as at 31 December 2018, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

What we have audited

Stelumthombo NPC's financial statements set out on pages 8 to 14 comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive surplus for the period then ended;
- the statement of changes in funds for the period then ended;
- the statement of cash flows for the period then ended;
- accounting policies; and
- the notes to the financial statements.

Basis for qualified opinion

Donations received are a significant source of fundraising income for Stelumthombo NPC. The directors have determined that it is impracticable to establish internal controls over the collection of donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Company 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 financial statements in South Africa. We have fulfilled our 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

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Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Stellumthombo NPC Financial Statements for the period ended 31 December 2018" which includes the Directors' Report as required by the Companies Act of South Africa. 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 identified above 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. As described in the Basis for Qualified Opinion section above, we were unable to confirm whether all donations were recorded. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: RM Labuschaigne
Registered Auditor
Stellenbosch
12/09/2019

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Stellumthombo NPC for the period ended 31 December 2018.

1. Nature of business

Stellumthombo NPC was incorporated in South Africa with interests in the community through upliftment projects. The company operates in South Africa. The company was incorporated and started its operations during the prior period.

2. Review of financial results and activities

The financial statements have been prepared in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

Net profit of the company was R 921,217 (2018: R 161,021 profit), after taxation of R - (2018: R -).

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Going concern

The 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.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would have a material impact on these financial statements.

5. Directors

The Directors in office at the date of this report is as follows:

Petrus Johannes Bestbier
Izak Johannes van der Merwe
Marida van der Merwe
Jan Christoffel Greyling
Jan de Wit van Zyl

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Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 R	28 February 2018 R
Assets			
Current Assets			
Cash and cash equivalents	2	1,794,218	851,275
Total Assets		1,794,218	851,275
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	3	37,119	15,393
Funds			
Capital fund		100	100
Surplus income		1,756,999	835,782
		1,757,099	835,882
Total Funds and Liabilities		1,794,218	851,275

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Statement of Comprehensive Surplus

		10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
	Note		
Revenue	5	2,434,069	1,823,160
Operating expenses	6	(1,530,379)	(1,662,139)
Operating surplus		903,690	161,021
Interest received		17,527	-
Total comprehensive surplus for the period		921,217	161,021

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Statement of Changes in Funds

	Capital fund	Surplus income	Total funds
	R	R	R
Balance at 01 March 2017	100	674,761	674,861
Surplus for the period	-	161,021	161,021
Total comprehensive surplus for the period	-	161,021	161,021
Balance at 01 March 2018	100	835,782	835,882
Surplus for the period	-	921,217	921,217
Total comprehensive surplus for the period	-	921,217	921,217
Balance at 31 December 2018	100	1,756,999	1,757,099

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Statement of Cash Flows

	Note	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
Cash flows from operating activities			
Cash generated from operations	8	925,416	176,414
Interest received		17,527	-
Net cash from operating activities		942,943	176,414
Net increase in cash and cash equivalents for the period			
Cash and cash equivalents at the beginning of the period		851,275	674,861
Cash and cash equivalents at end of the period	2	1,794,218	851,275

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act, 71 of 2008. 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.

1.1 Financial instruments

Cash and cash equivalents

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

Trade Payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

1.2 Revenue

Charitable donations and contributions are recognised on receipt or where there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the statement of comprehensive income. Donations which are to be retained for the future benefit of the company, and other donations with substantially restricted purposes are recognised as deferred income in the statement of financial position.

Rental income from busses for transportation purposes is recognised in the period when the vehicles are used.

Market stall income is received from selling goods and the income is recognised on the exchange of relevant goods or services.

Notes to the Financial Statements

	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	226,691	851,275
Money market	1,567,527	-
	1,794,218	851,275
3. Trade and other payables		
Trade payables	777	15,393
Auditors remuneration	18,120	-
SARS - PAYE	18,222	-
	37,119	15,393
4. Accumulated surplus		
Beginning of the year	835,782	674,761
Net income for the year	921,217	161,021
	1,756,999	835,782
5. Revenue		
Straatlig and Becoming Kids	2,078,802	1,462,141
Masandise (Bursary fund)	355,267	361,019
	2,434,069	1,823,160
6. Expenses by nature		
Administration expenses	82,227	58,998
Masandise (Bursary expenses)	313,153	553,736
Equipment	23,149	5,199
Market stall expenses	174,776	139,838
Salaries	869,587	846,969
Transport expenses	23,482	885
Other expenses	44,005	56,514
Total operating expenses	1,530,379	1,662,139
7. Taxation		

The company has been registered as a public benefit organisation in terms of section 30 of the Income Tax Act (the Act), and thus the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

Donations by or to the company are exempt from donations tax in terms of section 56(1)(h) of the Act. Bequests or accruals from the estates of deceased persons in favour of the company are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.

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	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
8. Cash generated from operations		
Profit before taxation	921,217	161,021
Adjustments for:		
Interest received	(17,527)	-
Changes in working capital:		
Trade and other payables	21,726	15,393
	<u>925,416</u>	<u>176,414</u>

9. Comparative figures

These financial statements cover the period 1 March 2018 to 31 December 2018, as the company has changed its year end, therefore comparative amounts (including the related notes) are not entirely comparable to the current balances.

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Detailed Surplus Statement

	Note	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
Revenue			
Masandise (Bursary fund)		355,267	361,019
Straatlig and Becoming Kids		2,078,802	1,462,141
	5	<u>2,434,069</u>	<u>1,823,160</u>
Operating expenses			
Masandise (Bursary fund) expenses (Refer to page 16)		345,867	558,409
Straatlig and Becoming Kids expenses (Refer to page 17)		1,184,512	1,103,730
		<u>(1,530,379)</u>	<u>(1,662,139)</u>
Other income			
Interest received		17,527	-
Surplus for the year		<u>921,217</u>	<u>161,021</u>

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Surplus Statement - Masandise (Bursary fund)

	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
Revenue		
Charitable donations and contributions	355,267	361,019
Operating expenses		
Bursary administration	32,714	4,673
Bursary students	313,153	553,736
	345,867	558,409
Surplus / (deficit) for the year	9,400	(197,390)

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Surplus Statement - Straatlig and Becoming Kids

	10 months ended 31 December 2018 R	12 months ended 28 February 2018 R
Notes		
Revenue		
Charitable donations and contributions	1,696,350	899,928
Donations: Becoming kids	125,125	320,000
Market stall income	243,703	241,713
Rental income	12,124	-
Repayment of loan received	1,500	500
	<u>2,078,802</u>	<u>1,462,141</u>
Operating expenses		
Becoming kids	22,541	21,978
General expenses	3,344	34,536
Market stall expenses	174,776	139,838
Salaries	869,587	846,969
Straatlig administration	67,633	54,325
Straatlig equipment	23,149	5,199
Straatlig transport	23,482	885
	<u>1,184,512</u>	<u>1,103,730</u>
Surplus for the year	<u>894,290</u>	<u>358,411</u>