

IZULU ORPHAN PROJECTS  
NPO NUMBER: 048-359-NPO  
TAX EXEMPTION NUMBER: 930031129  
ANNUAL FINANCIAL STATEMENTS  
For The Year Ended 30 June 2014

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For the year ended 30 June 2014

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**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements which appear on the attached pages were approved by the member and are signed by her:

\_\_\_\_\_  
K. Bain

Date:



KH Financial Services  
29 Archdale Road, Glenwood, Durban  
P.O. Box 5107, Durban, 4000  
Tel: 031 205 9679 | Fax: 031 205 9747  
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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF IZULU ORPHAN PROJECTS**

We have audited the Annual Financial Statements of Izulu Orphan Projects, which comprise the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income and the statement of changes in funds for the year ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 8.

**Member's Responsibility for the Financial Statements**

The Company's member is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of IFRS, and in the manner required by the Companies Act of South Africa 2008. This responsibility includes: Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF IZULU ORPHAN PROJECTS (Continued)**

**QUALIFICATIONS**

***CASH COLLECTIONS***

As with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collected from donations prior to initial entry of collections in the accounting records. Accordingly it was impractical for us to extend our examination beyond the receipts actually recorded.

***QUALIFIED AUDIT OPINION***

In our opinion, except for the possible effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present in all material respects, the financial position of the company at 30 June 2014 and the results of its operations and cash flows for the year then ended in accordance with IFRS and in a manner required by the companies act of South Africa 2008.

***ACCOUNTING DUTIES***

With written consent we have performed certain accounting duties.

***SUPPLEMENTARY SCHEDULES***

The schedule on pages 9 - 10 does not form part of the audit & therefore we do not express an opinion thereon.

  
K. Midstock  
Chartered Accountant (S.A) & RA

Date:



IZULU ORPHAN PROJECTS  
 NPO NUMBER: 048-359-NPO  
 STATEMENT OF FINANCIAL POSITION  
 At 30 June 2014

	Note	2014 R	2013 R
<b>ASSETS</b>			
<i>NON-CURRENT ASSETS</i>		1 898 069	1 416 005
Property, Plant & Equipment	2	1 898 069	1 416 005
<i>CURRENT ASSETS</i>		267 617	619 746
Trade Receivables		3 900	-
Cash & Cash Equivalents		263 717	619 746
<b>TOTAL ASSETS</b>		<b>2 165 686</b>	<b>2 035 751</b>
<b>FUNDS &amp; LIABILITIES</b>			
<i>CAPITAL &amp; RESERVES</i>		2 162 186	2 032 251
Accumulated Funds		2 162 186	2 032 251
<i>CCURRENT LIABILITIES</i>		3 500	3 500
Trade Payables		3 500	3 500
<b>TOTAL FUNDS &amp; LIABILITIES</b>		<b>2 165 686</b>	<b>2 035 751</b>

IZULU ORPHAN PROJECTS  
NPO NUMBER: 048-359-NPO  
STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME  
*For the year ended 30 June 2014*

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	2014 R	2013 R
Gross Revenue	3 116 977	5 354 771
Gross Profit	3 116 977	5 354 771
Operating Expenses	(2 987 042)	(4 313 131)
Surplus for the Year	129 935	1 041 640

IZULU ORPHAN PROJECTS  
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 STATEMENT OF CHANGES IN FUNDS  
 For the year ended 30 June 2014

	ACCUM. FUNDS R	TOTAL R
Balance at 01 November 2005	-	-
Surplus for the Year	1 624	1 624
Balance at 30 June 2006	1 624	1 624
Surplus for the Year	135 043	135 043
Balance at 30 June 2007	136 667	136 667
Surplus for the Year	582 925	582 925
Balance at 30 June 2008	719 592	719 592
(Deficit) for the Year	( 86 891)	( 86 891)
Balance at 30 June 2009	632 701	632 701
Surplus for the Year	285 281	285 281
Balance at 30 June 2010	917 982	917 982
(Deficit) for the Year	( 57 247)	( 57 247)
Balance at 30 June 2011	860 735	860 735
Surplus for the Year	129 876	129 876
Balance at 30 June 2012	990 611	990 611
Surplus for the Year	1 041 640	1 041 640
Balance at 30 June 2013	2 032 251	2 032 251
Surplus for the Year	129 935	129 935
Balance at 30 June 2014	2 162 186	2 162 186

IZULU ORPHAN PROJECTS  
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 NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
 For the year ended 30 June 2014

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1. ACCOUNTING POLICIES

The Annual Financial Statements have been prepared using the historical cost basis, in accordance with IFRSs and incorporate the principal accounting policies.

1.1 Gross Revenue

The income comprises of donation income received.

1.2 Property, Plant & Equipment

Property, Plant & Equipment are shown at cost less accumulated depreciation. All other assets are depreciated over their expected economic life on the straight line basis.

The most important rates of depreciation are as follows:

Computer Equipment	33 %
Motor Vehicles	20 %
Furniture & Fittings	17 %
Office Equipment	17 %
Equipment	20 %

2. PROPERTY, PLANT & EQUIPMENT

	COST	ACCUM. DEPR.	BOOK VALUE
<b>2014</b>			
Buildings	1 718 252	-	1 718 252
Computer Equipment	144 358	76 108	68 250
Motor Vehicles	355 776	346 125	9 651
Furniture & Fittings	75 708	17 535	58 173
Office Equipment	32 908	9 843	23 065
Kitchen Equipment	12 290	3 524	8 766
Equipment	39 052	27 140	11 912
	-----	-----	-----
	2 378 344	480 275	1 898 069
	-----	-----	-----
<b>2013</b>			
Buildings	1 272 555	-	1 272 555
Computer Equipment	91 260	54 854	36 406
Motor Vehicles	355 777	337 955	17 822
Furniture & Fittings	51 958	7 442	44 516
Office Equipment	22 766	5 062	17 704
Kitchen Equipment	12 290	1 066	11 224
Equipment	35 354	19 576	15 778
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	1 841 960	425 955	1 416 005
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IZULU ORPHAN PROJECTS  
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 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Cont.)  
 For the year ended 30 June 2014

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2. PROPERTY, PLANT & EQUIPMENT (Cont.)

*Property, Plant & Equipment can be reconciled as follows:*

2014	BOOK VALUE AT BEGIN OF YEAR	ADDITIONS	DEPRN.	BOOK VALUE AT END OF YEAR
Buildings	1 272 555	445 697	-	1 718 252
Computer Equipment	36 406	53 098	21 254	68 250
Motor Vehicles	17 822	-	8 171	9 651
Furniture & Fittings	44 516	23 750	10 093	58 173
Office Equipment	17 704	10 142	4 781	23 065
Kitchen Equipment	11 224	-	2 458	8 766
Equipment	15 778	3 699	7 565	11 912
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	1 416 005	536 386	54 322	1 898 069
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IZULU ORPHAN PROJECTS  
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 DETAILED INCOME STATEMENT  
 For the year ended 30 June 2014

	2014 R	2013 R
<b>INCOME</b>	3 116 977	5 354 771
Donation Income	2 101 140	4 114 369
Foreign Income	1 015 837	1 193 690
Sundry Income	-	46 712
<b>EXPENSES</b>	<b>(2 987 042)</b>	<b>(4 313 131)</b>
Accounting Fees	7 140	8 400
Advertising & Promotions	6 349	5 762
Bank Charges	14 352	13 870
Blankets & Linen	15 000	3 290
Children's Clothing	-	2 100 000
Cleaning	3 233	3 611
Computer Expenses	2 512	6 798
Consulting Fees	168 094	181 416
Courier & Postage	2 477	1 735
Depreciation	54 322	68 406
Donations	1 260	1 817
Educational Projects		
-Early childhood Development	58 309	47 301
-Gardening	300	212
-Health Builders	100	83
-House Maintenance IOP Family	26 335	1 125
-Sewing & Beading	-	1 160
-Toys for Children	209 802	-
-School Bags	8 400	-
-Sunday Services	43 223	-
Electricity & Water	2 800	2 010
Entertainment	2 612	966
Equipment	3 107	7 593
Food Parcels	866 265	621 922
Fuel	136 980	185 161
Gifts	85	-
Insurance	27 239	13 186
Leasing & Hire Costs	4 025	-
Medical Expenses	6 636	1 471
Motor Vehicle Expenses	70 715	36 700
Printing & Stationery	16 369	64 532
Rent	-	1 254
Repairs & Maintenance	19 516	2 108
Salaries & Wages	858 298	705 020
School Fees	45 603	33 033
School Uniforms	126 980	108 734

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DETAILED INCOME STATEMENT (Cont..)  
For the year ended 30 June 2014

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	2014 R	2013 R
Security	41 296	14 650
Staff Expenses	22 997	16 776
Telephone & SMS	42 095	48 588
Travel Costs	69 138	-
Workmen's Compensation	3 078	4 441
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NET SURPLUS FOR THE YEAR	129 935	1 041 640
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