

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

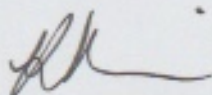
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
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FOR THE YEAR ENDED 30 JUNE 2021

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The attached Annual Financial Statements as detailed below are presented in compliance with the requirements of the Companies Act of 2008, as amended and were approved by the Member and signed below:



Bain, Kate Eleanor

Date: 27/01/2022

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

Nature of Business and Principle Activities	A non-profit organisation that educates, feeds and supports rural South African orphans and the children of HIV+ widows.
Member	Bain, Kate Eleanor
Registered Office	Portion 19 of Riverview Lot 11459 Lower Umfolozu KwaZulu-Natal 3910
Postal Address	P.O. Box 327 Constantia Cape Town Western Cape 7848
Auditor	KH Financial Services P.O. Box 5107 Durban 4000
Registration Number	048-359-NPO



KH Financial Services
11 Holden Avenue, Windermere
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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO

Opinion

We have audited the financial statements of Izulu Orphan Projects set out on pages 7 to 12, which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Surplus or Deficit & Other Comprehensive Funds, the Statement of Changes in Funds and the notes, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of Izulu Orphan Projects at 30 June 2021, and its financial performance for the year 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.

Basis for Opinion

We have 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 organisation 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The member is responsible for the other information. The other information comprises the Members' 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 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 Member for the Financial Statements

The member is 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 members 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 member is responsible for assessing the organisation'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 members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 organisation'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 organisation 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 members 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.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules set out on pages 13 - 15 do not form part of the financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.



K. Holdstock CA(SA) & RA

Date of report: 27/01/2022

**IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
REPORT OF THE MEMBER
FOR THE YEAR ENDED 30 JUNE 2021**

The member has pleasure in presenting the report for the year ended 30 June 2021.

INCORPORATION

The organisation was incorporated on 08 June 2006.

BUSINESS & OPERATIONS

The organisation's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The deficit for the organisation was R370 127 (2020: R216 241) after taxation.

STATEMENTS OF RESPONSIBILITY

The member is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with IFRS for SMEs and in the manner required by the Companies Act of South Africa.

The member is also responsible for the organisation's systems of internal financial controls 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 member to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the member has every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

PERFORMANCE

The financial results of the organisation have been displayed on the attached financial statements. No further comment is required.

MEMBER & SECRETARY

Member:

Bain, Kate Eleanor

Secretary:

No secretary was appointed during the year under review.

AUDITOR

KH Financial Services

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTES	2021	2020
ASSETS		R	R
<i>NON-CURRENT ASSETS</i>		1,107,757	1,448,682
Property, Plant & Equipment	2	1,055,859	1,140,530
Investment	3	51,898	308,152
<i>CURRENT ASSETS</i>		55,653	85,823
Trade & Other Receivables	4	27,245	8,802
Cash & Cash Equivalents	5	28,408	77,021
TOTAL ASSETS		<u><u>1,163,410</u></u>	<u><u>1,534,505</u></u>
FUNDS & LIABILITIES			
<i>FUNDS</i>		1,156,215	1,526,343
Accumulated Funds		1,156,215	1,526,343
<i>CURRENT LIABILITIES</i>		7,195	8,162
Trade & Other Payables	6	7,195	8,162
TOTAL FUNDS & LIABILITIES		<u><u>1,163,410</u></u>	<u><u>1,534,505</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 R	2020 R
INCOME		2,115,618	2,420,876
OPERATING EXPENSES		(2,480,496)	(2,690,465)
OPERATING (DEFICIT) FOR THE YEAR		<u>(364,878)</u>	<u>(269,589)</u>
NON-OPERATING INCOME		6,115	53,348
NON-OPERATING EXPENDITURE		(11,364)	-
(DEFICIT) BEFORE TAXATION		<u>(370,127)</u>	<u>(216,241)</u>
INCOME TAX EXPENSE	7	-	-
(DEFICIT) FOR THE YEAR		<u><u>(370,127)</u></u>	<u><u>(216,241)</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	ACCUMULATED FUNDS R
Balance at 30 June 2019	1,742,584
Total (Deficit) for the Year	
- Operating (Deficit) for the Year	(269,589)
- Non-Operating Surplus for the Year	53,348
Balance at 30 June 2020	<u>1,526,343</u>
Total (Deficit) for the Year	
- Operating (Deficit) for the Year	(364,878)
- Non-Operating (Deficit) for the Year	(5,250)
Balance at 30 June 2021	<u><u>1,156,215</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting Policies

The Annual Financial Statements have been prepared on the going concern basis, using the historical cost concept, in accordance with IFRS for SMEs and the Companies Act 71 of 2008. The principal accounting policies of the organisation set out below are consistent in all material respects with those adopted in the previous year, except where specifically noted.

These Annual Financial Statements are presented in South African Rands.

1.1 Property, Plant & Equipment

Items of property, plant and equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

- Computer Equipment	33.33%
- Furniture & Fittings	16.67%
- General Equipment	20.00%
- Kitchen Equipment	20.00%
- Motor Vehicles	20.00%
- Office Equipment	20.00%

Land & Buildings are not depreciated.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

1.2 Income

The income comprises of donation income received.

IZULU ORPHAN PROJECTS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Property, Plant & Equipment

	@ Cost	Accum Deprn	Book Value
2021	R	R	R
Computer Equipment	150,755	122,308	28,447
Furniture & Fittings	137,565	97,057	40,508
General Equipment	47,222	34,448	12,774
Kitchen Equipment	29,473	17,932	11,541
Land & Buildings	951,122	-	951,122
Motor Vehicles	172,000	160,533	11,467
Office Equipment	-	-	-
	<u>1,488,137</u>	<u>432,278</u>	<u>1,055,859</u>

	@ Cost	Accum Deprn	Book Value
2020	R	R	R
Computer Equipment	240,475	181,065	59,410
Furniture & Fittings	158,280	98,256	60,024
General Equipment	46,653	38,516	8,137
Kitchen Equipment	30,272	14,632	15,640
Land & Buildings	951,122	-	951,122
Motor Vehicles	172,000	126,133	45,867
Office Equipment	999	669	330
	<u>1,599,801</u>	<u>459,271</u>	<u>1,140,530</u>

Reconciliation of Property, Plant & Equipment:

	Book Value				Book Value
2021	Beginning	Additions	Depreciation	Disposals	End
	R	R	R	R	R
Computer Equipment	59,410	-	28,946	2,017	28,447
Furniture & Fittings	60,024	-	16,095	3,421	40,508
General Equipment	8,137	8,394	3,699	58	12,774
Kitchen Equipment	15,640	-	4,005	94	11,541
Land & Buildings	951,122	-	-	-	951,122
Motor Vehicles	45,867	-	34,400	-	11,467
Office Equipment	330	-	200	130	-
	<u>1,140,530</u>	<u>8,394</u>	<u>87,345</u>	<u>5,720</u>	<u>1,055,859</u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	R
<u>3. Investments</u>		
Investec Investment Portfolio	51,898	308,152
	<u>51,898</u>	<u>308,152</u>
<u>4. Trade & Other Receivables</u>		
Overpayments	245	-
Short-Term Loans Receivable	27,000	8,802
	<u>27,245</u>	<u>8,802</u>
<u>5. Cash & Cash Equivalents</u>		
FNB Current Account	26,525	76,382
Petty Cash	1,883	639
	<u>28,408</u>	<u>77,021</u>
<u>6. Trade & Other Payables</u>		
EMP201 Accrual	7,195	8,162
	<u>7,195</u>	<u>8,162</u>

7. Income Tax Expense

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.

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
SCHEDULE OF EXPENDITURE BY PROJECT
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	R
Christmas Party	18,363	43,721
Feeding Scheme	421,773	598,244
Learning Centre	-	17,553
Ministry	107,442	229,670
Orphan Management System	159,816	151,416
Other Operational & Administrative Expenditure	1,169,521	1,074,313
Schooling	260,604	330,891
Skills Development	109,545	131,627
Social Services	233,432	113,030
TOTAL OPERATING EXPENSES	2,480,496	2,690,465

IZULU ORPHAN PROJECTS**REGISTRATION NUMBER: 048-359-NPO****DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS****FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 R	2020 R
INCOME		2,115,618	2,420,876
Donation Income		1,050,152	1,258,733
Foreign Income		1,056,013	1,149,349
Sundry Income		9,453	12,794
OPERATING EXPENSES		(2,480,496)	(2,690,465)
Accounting Fees		11,150	4,600
Activities & Equipment		-	16,029
Advertising & Marketing		9,325	8,592
Bank Charges		11,708	13,415
Cleaning		2,455	2,796
Clothing & Domestic Goods		140,586	50,504
Computer Expenses		26,556	36,740
Consulting Fees		86,050	102,400
Courier & Postage		370	335
Depreciation		87,345	86,025
Electricity & Water		15,000	12,500
Entertainment		720	-
Events		11,260	24,279
Food Parcels & Meals		378,874	563,315
Fuel, Travel & Accommodation		101,279	105,077
Gifts		-	492
Insurance		37,494	51,269
Medical Expenses		6,015	15,179
Motor Vehicle Expenses		50,511	86,021
Printing & Stationery		49,760	21,295
Repairs & Maintenance		18,576	37,230
Salaries & Wages		1,205,569	1,130,534
School & Tertiary Education Fees		145,963	206,595
School Uniforms		-	14,790
Security		4,426	4,624
Skills Development Training		-	3,372
Staff Expenses		4,399	6,458
Sunday & Monthly Services		1,840	5,390
Sustainability Projects		-	818
Telephone & Internet		69,400	75,767
Volunteer Costs		-	321
Workmen's Compensation		3,865	3,703
OPERATING (DEFICIT) FOR THE YEAR		(364,878)	(269,589)

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 R	2020 R
NON-OPERATING INCOME		6,115	53,348
Interest Received		6,115	23,580
Profit on Sale of Assets		-	29,768
NON-OPERATING EXPENDITURE		(11,364)	-
Interest Paid		5,644	-
Loss on Sale of Assets		5,720	-
(DEFICIT) BEFORE TAXATION		(370,127)	(216,241)
INCOME TAX EXPENSE	7	-	-
(DEFICIT) FOR THE YEAR		(370,127)	(216,241)