

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

<u>Contents:</u>	<u>Page:</u>
Index to the Annual Financial Statements & Approval	1
General Information	2
Report of the Independent Auditor	3 - 5
Statement of Financial Position	6
Statement of Surplus or Deficit & Other Comprehensive Funds	7
Statement of Changes in Funds	8
Notes to the Annual Financial Statements	9 - 10
Statement of Project Expenditure	11
Detailed Statement of Surplus or Deficit & Other Comprehensive Funds	12 - 13

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:

K. Bain

Date:

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2017

Nature of Business and Principle Activities	Looking after, raising, schooling and self sustaining orphans.
Member	K. Bain
Registered Office	Portion 19 of Riverview Lot 11459 Lower Umfolozi Kwa-Zulu Natal 3910
Postal Address	P.O. Box 5107 Durban 4000
Auditors	KH Financial Services P.O. Box 5107 Durban 4000
Registration Number	048-359-NPO

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 NPO set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2017, the statement of surplus or deficit & other comprehensive funds, the statement of changes in funds for the year then ended, and the notes, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Izulu Orphan Projects at 30 June 2017, 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 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 opinion.

Other Information

The member is responsible for the other information. 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 member 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 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 member either intend to liquidate the company 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 skepticism 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 member.
- Conclude on the appropriateness of the member's 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 member 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 11 to 13 does 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



IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2017

ASSETS	NOTES	2017	2016
		R	R
NON-CURRENT ASSETS			
Property, Plant & Equipment	3	2,205,496	2,057,800
Investment	2	185,100	-
CURRENT ASSETS			
Cash & Cash Equivalents		105,473	387,246
TOTAL ASSETS		<u>2,496,069</u>	<u>2,445,046</u>
FUNDS & LIABILITIES			
CAPITAL & RESERVES			
Accumulated Funds		2,486,714	2,441,546
CURRENT LIABILITIES			
Trade & Other Payables		9,355	3,500
TOTAL FUNDS & LIABILITIES		<u>2,496,069</u>	<u>2,445,046</u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	R	R
GROSS REVENUE	2,587,287	2,847,837
GROSS SURPLUS	<u>2,587,287</u>	<u>2,847,837</u>
OPERATING EXPENSES	(2,551,686)	(2,758,319)
INVESTMENT INCOME	9,567	-
SURPLUS FOR THE YEAR	<u><u>45,168</u></u>	<u><u>89,518</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	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
Surplus for the Year	189,842	189,842
Balance at 30 June 2015	2,352,028	2,352,028
Surplus for the Year	89,518	89,518
Balance at 30 June 2016	2,441,546	2,441,546
Surplus for the Year	45,168	45,168
Balance at 30 June 2017	2,486,714	2,486,714

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 non-profit organisation set out below are consistent in all material respects with those adopted in the previous year, except where specifically noted.

1.1 Property, Plant & Equipment

The income comprises of donation income received.

1.2 Property, Plant & Equipment

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of fixed assets are as follows:

- Computer Equipment	33.00%
- Motor Vehicles	20.00%
- Furniture & Fittings	17.00%
- Office Equipment	17.00%
- Kitchen Equipment	20.00%
- General Equipment	20.00%

2. Investments

	2017	2016
	R	R
Investec Investment Portfolio	185,100	-
	<u>185,100</u>	<u>-</u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

3. Property, Plant & Equipment

	@ Cost	Accum Deprn	Book Value
	R	R	R
2017			
Land & Buildings	1,821,994	-	1,821,994
Computer Equipment	195,406	177,097	18,309
Motor Vehicles	796,150	489,615	306,535
Furniture & Fittings	104,308	57,563	46,745
Office Equipment	33,907	28,889	5,018
Kitchen Equipment	13,089	10,964	2,125
General Equipment	42,354	37,584	4,770
	<u>3,007,208</u>	<u>801,712</u>	<u>2,205,496</u>

	@ Cost	Accum Deprn	Book Value
	R	R	R
2016			
Land & Buildings	1,767,962	-	1,767,962
Computer Equipment	190,066	148,382	41,684
Motor Vehicles	624,150	429,880	194,270
Furniture & Fittings	76,707	42,029	34,678
Office Equipment	32,908	20,456	12,452
Kitchen Equipment	12,290	8,440	3,850
General Equipment	39,053	36,149	2,904
	<u>2,743,136</u>	<u>685,336</u>	<u>2,057,800</u>

Reconciliation of Property, Plant & Equipment:

	Book Value			Book Value
	Beginning	Additions	Depreciation	End
	R	R	R	R
2017				
Land & Buildings	1,767,962	54,032	-	1,821,994
Computer Equipment	41,684	5,340	28,715	18,309
Motor Vehicles	194,270	172,000	59,735	306,535
Furniture & Fittings	34,678	27,600	15,533	46,745
Office Equipment	12,452	999	8,433	5,018
Kitchen Equipment	3,850	799	2,524	2,125
General Equipment	2,904	3,301	1,435	4,770
	<u>2,057,800</u>	<u>264,071</u>	<u>116,375</u>	<u>2,205,496</u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF PROJECT EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	R	R
Ministry	57,061	83,148
Christmas Party	43,447	44,100
Orphan Management System	86,444	3,455
Schooling	197,584	220,121
Feeding Scheme	465,606	465,415
Social Services	247,190	253,949
Building Projects	104,466	189,003
Safe House	100	-
Early Childhood Development	189,804	199,135
Learning Centre	117,184	2,463
Skills Development	11,616	31,630
Other Operational & Administrative Expenditure	1,031,184	1,265,900
EXPENSES	2,551,686	2,758,319

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	R	R
INCOME	2,587,287	2,847,837
Donation Income	1,320,816	1,124,693
Foreign Income	1,242,332	1,722,012
Profit on Sale of Non Current Assets	9,646	-
Sundry Income	14,493	1,132
EXPENSES	(2,551,686)	(2,758,319)
Accounting Fees	10,571	8,208
Advertising & Promotions	2,650	3,211
Activities & Equipment	209	-
Babies Goods	38,994	-
Bank Charges	23,000	21,135
Blankets & Linen	8,350	-
Building Creches	10,272	-
Cleaning	760	1,491
Clothing & Domestic Goods	108,180	-
Craft Materials	2,750	-
Creche Toys & Equipment	14,896	11,449
Computer Expenses	18,146	3,453
Consulting Fees	81,250	83,450
Courier & Postage	204	442
Depreciation	116,375	124,648
Donations	-	1,000
Electricity & Water	14,000	12,200
Entertainment	305	727
Events	3,329	-
Food Parcels	342,314	337,474
Fuel, Travel & Accommodation	135,607	118,490
Gifts	1,517	2,621
Housing IOP Family	23,781	66,433
Insurance	54,765	52,243
Leasing & Hire Costs	108	1,306
Medical Expenses (Including Chemotherapy)	5,190	184,603
Motor Vehicle Expenses	10,361	72,116
Outreach	6,019	28,385
Printing & Stationery	23,000	17,226
Repairs & Maintenance	79,402	72,429
Salaries & Wages	1,011,552	1,101,633
SARS Interest & Penalties	862	-
Sustainability Projects	1,615	-
Sunday Services	41,273	49,254

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	R	R
School Fees	74,002	89,804
School Uniforms	61,989	78,410
Security	142,703	124,265
Staff Expenses	8,365	27,015
Small Tools	658	-
Telephone & Internet	61,445	59,269
Training	6,566	645
Workmen's Compensation	4,351	3,284
INVESTMENT INCOME	9,567	-
Non-Connected Persons	9,567	-
NET SURPLUS FOR THE YEAR	45,168	89,518