

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

**IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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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:

K. Bain

Date:

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

Nature of Business and Principle Activities	Looking after, raising and schooling 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 set out on pages 8 to 13, which comprise the statement of financial position as at 30 June 2018 and the statement of surplus or deficit & other comprehensive 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 2018, 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 NPO 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 comprises the Member's 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 member determines 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 NPO'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 intends to liquidate the NPO 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 NPO'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 NPO'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 NPO 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 14 - 16 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.

A handwritten signature in black ink, appearing to read 'K. Holdstock', is written over a horizontal line.

K. Holdstock (CA) SA & RA
Date of report:

28 February 2019



IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
REPORT OF THE MEMBER
FOR THE YEAR ENDED 30 JUNE 2018

The member has pleasure in presenting the report for the year ended 30 June 2018.

INCORPORATION

The NPO was incorporated on 8 June 2006.

BUSINESS & OPERATIONS

The NPO'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 net surplus for the NPO was R518 906 (2017: R45 168) 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 NPO'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 company has adequate resources in place to continue in operation for the foreseeable future.

PERFORMANCE

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

**IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
REPORT OF THE MEMBER
FOR THE YEAR ENDED 30 JUNE 2018**

MEMBER & SECRETARY

Member:

K. Bain

Secretary:

No secretary was appointed during the year under review.

AUDITORS

KH Financial Services

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTES	2018 R	2017 R
ASSETS			
NON-CURRENT ASSETS		2,981,895	2,390,596
Property, Plant & Equipment	2	2,272,718	2,205,496
Investment	3	709,177	185,100
CURRENT ASSETS		34,531	105,473
Cash & Cash Equivalents	4	34,531	105,473
TOTAL ASSETS		<u>3,016,426</u>	<u>2,496,069</u>
FUNDS & LIABILITIES			
CAPITAL & RESERVES		3,005,620	2,486,714
Accumulated Funds		3,005,620	2,486,714
CURRENT LIABILITIES		10,806	9,355
Trade & Other Payables	5	10,806	9,355
TOTAL FUNDS & LIABILITIES		<u>3,016,426</u>	<u>2,496,069</u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018	2017
		R	R
INCOME		2,715,128	2,587,287
EXPENSES		(2,236,789)	(2,551,686)
SURPLUS BEFORE INTEREST & TAXATION		<u>478,339</u>	<u>35,601</u>
INTEREST RECEIVED		40,567	9,567
INCOME TAX EXPENSE	6	-	-
NET SURPLUS FOR THE YEAR		<u><u>518,906</u></u>	<u><u>45,168</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	ACCUMULATED	
	FUNDS	TOTAL
	R	R
Balance at 30 June 2014	2,162,186	2,162,186
Surplus for the Year	189,842	189,842
Balance at 30 June 2015	<u>2,352,028</u>	<u>2,352,028</u>
Surplus for the Year	89,518	89,518
Balance at 30 June 2016	<u>2,441,546</u>	<u>2,441,546</u>
Surplus for the Year	45,168	45,168
Balance at 30 June 2017	<u>2,486,714</u>	<u>2,486,714</u>
Surplus for the Year	518,906	518,906
Balance at 30 June 2018	<u><u>3,005,620</u></u>	<u><u>3,005,620</u></u>

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

1.1 Income

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

IZULU ORPHAN PROJECTS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2. Property, Plant & Equipment

	@ Cost	Accum Deprn	Book Value
2018	R	R	R
Land & Buildings	2,114,755	-	2,114,755
Computer Equipment	216,004	196,453	19,551
Furniture & Fittings	118,146	75,401	42,745
General Equipment	42,354	39,517	2,837
Kitchen Equipment	13,089	12,510	579
Motor Vehicles	624,150	534,689	89,461
Office Equipment	33,907	31,117	2,790
	<u>3,162,405</u>	<u>889,687</u>	<u>2,272,718</u>

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

Reconciliation of Property, Plant & Equipment:

	Book Value				Book Value
2018	Beginning	Additions	Disposals	Depreciation	End
	R	R	R	R	R
Land & Buildings	1,821,994	292,761	-	-	2,114,755
Computer Equipment	18,309	20,598	-	19,356	19,551
Furniture & Fittings	46,745	13,838	-	17,838	42,745
General Equipment	4,770	-	-	1,933	2,837
Kitchen Equipment	2,125	-	-	1,546	579
Motor Vehicles	306,535	-	163,400	53,674	89,461
Office Equipment	5,018	-	-	2,228	2,790
	<u>2,205,496</u>	<u>327,197</u>	<u>163,400</u>	<u>96,575</u>	<u>2,272,718</u>

IZULU ORPHAN PROJECTS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	R	R
<u>3. Investments</u>		
Investec Investment Portfolio	709,177	185,100
	<u>709,177</u>	<u>185,100</u>
<u>4. Cash & Cash Equivalents</u>		
Cash & Cash Equivalents consist of the following balances:		
Cash in Bank & Cash on Hand	34,531	105,473
Total Cash & Cash Equivalents	<u>34,531</u>	<u>105,473</u>
<u>5. Trade & Other Payables</u>		
Accounting / Audit Fee Accrual	3,500	3,500
SARS PAYE & UIF Accrual	7,306	5,855
	<u>10,806</u>	<u>9,355</u>

6. 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
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STATEMENT OF PROJECT EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	R	R
Building Projects	-	104,466
Christmas Party	45,769	43,447
Early Childhood Development	3,500	189,804
Feeding Scheme	277,364	465,606
Learning Centre	4,701	117,184
Ministry	84,583	57,061
Orphan Management System	136,020	86,444
Other Operational & Administrative Expenditure	1,189,638	1,031,184
Safe House	-	100
Schooling	246,929	197,584
Skills Development	69,119	11,616
Social Services	179,166	247,190
TOTAL EXPENSES	2,236,789	2,551,686

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 R	2017 R
INCOME		2,715,128	2,587,287
Donation Income		1,828,641	1,320,816
Foreign Income		863,975	1,242,332
Profit on Sale of Non-Current Assets		6,600	9,646
Sundry Income		15,912	14,493
EXPENSES		(2,236,789)	(2,551,686)
Accounting Fees		11,250	10,571
Activities & Equipment		3,326	209
Advertising & Promotions		4,240	2,650
Babies Goods		20,024	38,994
Bank Charges		14,065	23,000
Blankets & Linen		45,000	8,350
Building Expenses		35,797	10,272
Cleaning		1,419	760
Clothing & Domestic Goods		75,008	108,180
Computer Expenses		31,304	18,146
Consulting Fees		85,750	81,250
Courier & Postage		46	204
Craft Materials		-	2,750
Creche Toys & Equipment		3,500	14,896
Depreciation		96,575	116,375
Electricity & Water		13,300	14,000
Entertainment		4,614	305
Events		-	3,329
Food Parcels		220,830	342,314
Fuel, Travel & Accommodation		85,890	135,607
Gifts		300	1,517
Housing IOP Family		-	23,781
Insurance		51,394	54,765
Leasing & Hire Costs		-	108
Medical Expenses		40,707	5,190
Motor Vehicle Expenses		61,632	10,361
Outreach		2,424	6,019
Printing & Stationery		89,283	23,000
Repairs & Maintenance		44,020	79,402
Salaries & Wages		839,792	1,011,552
SARS Interest & Penalties		-	862
School Fees		77,733	74,002
School Uniforms		74,849	61,989
Security		4,964	142,703
Small Tools		-	658
Staff Expenses		16,750	8,365

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 R	2017 R
Sunday & Monthly Services		57,280	41,273
Sustainability Projects		8,640	1,615
Telephone & Internet		61,434	61,445
Training		41,259	6,566
Volunteer Costs		12,390	-
Workmen's Compensation		-	4,351
SURPLUS BEFORE INTEREST & TAXATION		478,339	35,601
INTEREST RECEIVED		40,567	9,567
Non-Connected Persons		40,567	9,567
INCOME TAX EXPENSE	6	-	-
NET SURPLUS FOR THE YEAR		518,906	45,168