

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

INDEX TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

IZULU ORPHAN PROJECTS

Contents

REGISTRATION NUMBER: 048-359-NPO

Index to the Annual Financial Statements & Approval

General Information

ANNUAL FINANCIAL STATEMENTS

Report of the Independent Auditor

FOR THE YEAR ENDED 30 JUNE 2019

Report of the Member

Statement of Financial Position

Statement of Surplus or Deficit & Other Comprehensive Income

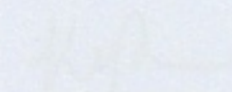
Statement of Changes to Funds

Index to the Annual Financial Statements

Statement of Expenditure by Project

Revised Statement of Surplus or Deficit & Other Comprehensive Income

The approved 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 Board and signed below:



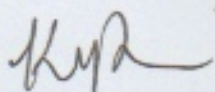
Chairperson

Date: 01/07/2019

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

<u>Contents:</u>	<u>Page:</u>
Index to the Annual Financial Statements & Approval	1
General Information	2
Report of the Independent Auditor	3 - 5
Report of the Member	6 - 7
Statement of Financial Position	8
Statement of Surplus or Deficit & Other Comprehensive Funds	9
Statement of Changes in Funds	10
Notes to the Annual Financial Statements	11 - 13
Statement of Expenditure by Project	14
Detailed Statement of Surplus or Deficit & Other Comprehensive Funds	15 - 16

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: 01/11/2019

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

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
 KwaZulu-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

Other Information

The other Act is responsible for the other information. The other information comprises the Memorandum of Association, the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our auditor is responsible for the other information and we do not express an audit opinion on any form of assurance provided thereon.

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 2019 and the statement of surplus or deficit & other comprehensive funds, 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 2019, 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.

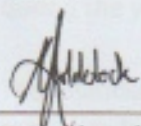


- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NPO's internal control.
- Evaluate the appropriateness of accounting policies 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.



K. Holdstock (CA) SA & RA

Date of report: 01-11-2019

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 2019

The member has pleasure in presenting the report for the year ended 30 June 2019.

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 (deficit) for the NPO was (R1 263 036) (2018: R518 906 surplus).

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 2019

MEMBER & SECRETARY

Member:

K. Bain

Secretary:

No secretary was appointed during the year under review.

AUDITORS

KH Financial Services

	2018	2019
	R	R
NON-CURRENT ASSETS	1,718,436	1,691,693
Property, Plant & Equipment	1,337,395	1,172,715
	380,442	764,137
	35,447	34,531
AUDITORS	35,447	34,531
	1,753,883	1,815,476
FUNDS & LIABILITIES		
FUNDS & RESERVES	1,742,584	1,805,610
Accumulated Funds	1,742,584	1,805,610
CURRENT LIABILITIES	71,299	35,806
Bank & Other Payables	11,298	15,806
TOTAL FUNDS & LIABILITIES	1,753,883	1,815,476

IZULU ORPHAN PROJECTS
 REGISTRATION NUMBER: 048-359-NPO
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2019

	NOTES	2019 R	2018 R
ASSETS			
NON-CURRENT ASSETS		1,718,436	2,981,895
Property, Plant & Equipment	2	1,127,995	2,272,718
Investment	3	590,441	709,177
CURRENT ASSETS		35,447	34,531
Cash & Cash Equivalents	4	35,447	34,531
TOTAL ASSETS		<u>1,753,883</u>	<u>3,016,426</u>
FUNDS & LIABILITIES			
CAPITAL & RESERVES		1,742,584	3,005,620
Accumulated Funds		1,742,584	3,005,620
CURRENT LIABILITIES		11,299	10,806
Trade & Other Payables	5	11,299	10,806
TOTAL FUNDS & LIABILITIES		<u>1,753,883</u>	<u>3,016,426</u>

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 R	2018 R
INCOME		1,900,749	2,715,128
EXPENSES		(2,373,402)	(2,236,789)
(DEFICIT) / SURPLUS BEFORE INTEREST & TAXATION		(472,653)	478,339
FINANCE CHARGES		(217)	-
INTEREST RECEIVED		32,388	40,567
(DEFICIT) / SURPLUS BEFORE TAXATION		(440,481)	518,906
INCOME TAX EXPENSE	6	-	-
NET OPERATING (DEFICIT) / SURPLUS FOR THE YEAR		(440,481)	518,906
NON-OPERATING EXPENDITURE		(822,555)	-
Loss on Sale of Assets		822,555	-
NET (DEFICIT) / SURPLUS FOR THE YEAR		(1,263,036)	518,906

IZULU ORPHAN PROJECTS
 REGISTRATION NUMBER: 048-359-NPO
 STATEMENT OF CHANGES IN FUNDS
 FOR THE YEAR ENDED 30 JUNE 2019

	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	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
Surplus for the Year	518,906	518,906
Balance at 30 June 2018	3,005,620	3,005,620
(Deficit) for the Year	(440,481)	(440,481)
Non-Operating (Deficit) for the Year	(822,555)	(822,555)
Balance at 30 June 2019	1,742,584	1,742,584

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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%

Office Equipment	73,907	92,327	2,790
	3,262,400	339,997	1,273,778

Reconciliation of Property, Plant & Equipment:

	Book Value				Book Value
	Beginning	Additions	Disposals	Depreciation	End
2018	R	R	R	R	R
Land & Buildings	2,114,700	107,912	1,272,535		950,077
Computer Equipment	19,551	15,130		14,914	20,767
Furniture & Fittings	42,745	54,190		14,200	82,735
General Equipment	7,812	479		940	7,351
Kitchen Equipment	378			150	228
Motor Vehicles	30,401	16,700		23,325	23,776
Office Equipment	2,790			1,328	1,462
	2,218,576	235,511	1,272,535	37,717	1,127,455

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Property, Plant & Equipment

	@ Cost	Accum Deprn	Book Value
	R	R	R
2019			
Land & Buildings	951,122	-	951,122
Computer Equipment	251,200	211,367	39,833
Furniture & Fittings	172,281	89,609	82,672
General Equipment	43,353	40,422	2,931
Kitchen Equipment	13,089	12,670	419
Motor Vehicles	640,450	589,994	50,456
Office Equipment	33,907	33,345	562
	<u>2,105,402</u>	<u>977,407</u>	<u>1,127,995</u>

	@ Cost	Accum Deprn	Book Value
	R	R	R
2018			
Land & Buildings	2,114,755	-	2,114,755
Computer Equipment	216,004	196,435	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>

Reconciliation of Property, Plant & Equipment:

	Book Value Beginning	Additions	Disposals	Depreciation	Book Value End
	R	R	R	R	R
2019					
Land & Buildings	2,114,755	108,922	1,272,555	-	951,122
Computer Equipment	19,551	35,196	-	14,914	39,833
Furniture & Fittings	42,745	54,135	-	14,208	82,672
General Equipment	2,837	999	-	905	2,931
Kitchen Equipment	579	-	-	160	419
Motor Vehicles	89,461	16,300	-	55,305	50,456
Office Equipment	2,790	-	-	2,228	562
	<u>2,272,718</u>	<u>215,552</u>	<u>1,272,555</u>	<u>87,720</u>	<u>1,127,995</u>

IZULU ORPHAN PROJECTS
 REGISTRATION NUMBER: 048-359-NPO
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
3. Investments		
Investec Investment Portfolio	590,441	709,177
	<u>590,441</u>	<u>709,177</u>
4. Cash & Cash Equivalents		
Cash & Cash Equivalents consist of the following balances:		
Cash in Bank & Cash on Hand	35,447	34,531
Total Cash & Cash Equivalents	<u>35,447</u>	<u>34,531</u>
5. Trade & Other Payables		
Accounting / Audit Fee Accrual	3,500	3,500
SARS PAYE & UIF Accrual	7,799	7,306
	<u>11,299</u>	<u>10,806</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.

FOR THE YEAR ENDED 30 JUNE 2019

14

IZULU ORPHAN PROJECTS
REGISTRATION NUMBER: 048-359-NPO
DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 R	2018 R
INCOME		1,900,749	2,715,128
Donation Income		988,890	1,828,641
Foreign Income		896,004	863,975
Profit on Sale of Non-Current Assets		-	6,600
Sundry Income		15,855	15,912
EXPENSES		(2,373,402)	(2,236,789)
Accounting Fees		10,650	11,250
Activities & Equipment		13,687	3,326
Advertising & Promotions		5,761	4,240
Babies Goods		-	20,024
Bank Charges		11,974	14,065
Blankets & Linen		4,378	45,000
Building Expenses		-	35,797
Cleaning		1,444	1,419
Clothing & Domestic Goods		28,699	75,008
Computer Expenses		50,389	31,304
Consulting Fees		94,600	85,750
Courier & Postage		199	46
Creche Toys & Equipment		10,500	3,500
Depreciation		87,720	96,575
Electricity & Water		14,500	13,300
Entertainment		597	4,614
Events		715	-
Food Parcels		381,277	220,830
Fuel, Travel & Accommodation		102,701	85,890
Gifts		2,501	300
Insurance		54,902	51,394
Medical Expenses		10,413	40,707
Motor Vehicle Expenses		60,852	61,632
Outreach		-	2,424
Printing & Stationery		45,757	89,283
Repairs & Maintenance		40,663	44,020
Salaries & Wages		1,051,916	839,792
School Fees		75,244	77,733
School Uniforms		89,338	74,849
Security		7,891	4,964
Small Tools		1,050	-
Staff Expenses		11,784	16,750
Sunday & Monthly Services		21,822	57,280
Sustainability Projects		7,290	8,640
Telephone & Internet		65,817	61,434

IZULU ORPHAN PROJECTS

REGISTRATION NUMBER: 048-359-NPO

DETAILED STATEMENT OF SURPLUS OR DEFICIT & OTHER COMPREHENSIVE FUNDS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 R	2018 R
Training		2,000	41,259
Volunteer Costs		375	12,390
Workmen's Compensation		3,996	-
(DEFICIT) / SURPLUS BEFORE INTEREST & TAXATION		(472,653)	478,339
FINANCE CHARGES		(217)	-
Non-Connected Persons		217	-
INTEREST RECEIVED		32,388	40,567
Non-Connected Persons		32,388	40,567
INCOME TAX EXPENSE	6	-	-
NET OPERATING (DEFICIT) / SURPLUS FOR THE YEAR		(440,481)	518,906
NON-OPERATING EXPENDITURE		(822,555)	-
Loss on Sale of Assets		822,555	-
NET (DEFICIT) / SURPLUS FOR THE YEAR		(1,263,036)	518,906