

**SIKHULA SONKE EARLY CHILDHOOD DEVELOPMENT NPC
NON PROFIT COMPANY
(Registration number 2003/010956/08)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2015**

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Community-based organisation addressing the need for early childhood development and training in Khayelitsha since 2001
Directors	Mdebuka Mthwazi Jenny Klein Evan Torrance Deborah Hancock Sindiswa Dapula
Registered office	35 - 903 Cephe Crescent Harare Square Khayelitsha 7784
Business address	35 - 903 Cephe Crescent Harare Square Khayelitsha 7784
Postal address	P.O. Box 23122 Claremont 7735
Bankers	ABSA
Auditors	BDV Platinum Chartered Accountants (S.A.) Registered Accountants and Auditors
Secretary	J.M. Glanville
Company registration number	2003/010956/08
Tax reference number	9740630141
NPO number	030-217
PBO number	930 004 377

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Index

The reports and statements set out below comprise the annual financial statements presented to the directors:

Index	Page
Directors' Responsibilities and Approval	3
Independent Auditors' Report	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 13
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	14

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Directors' Responsibilities and Approval


The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.


Evan Torrance


Janet Glanville

Westlake

Date: 27/1/2015

Independent Auditors' Report

To the directors of Sikhula Sonke Early Childhood Development

We have audited the annual financial statements of Sikhula Sonke Early Childhood Development NPC, as set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Sikhula Sonke Early Childhood Development NPC as at 28 February 2015, and its financial performance and its cash flows 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 71 of 2008.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Braam De Vries
BDV Platinum
Registered Accountants and Auditors

Westlake
49 Bell Crescent
Westlake Business Park
Westlake
7945

Date: _____

BDV Platinum Professional Services Incorporated
Company Reg No: 2014/122739/21 | VAT No: 4140184244
Physical Address: 49 Bell Crescent, Westlake Business Park | Westlake 7945
Postal Address: PO Box 31428 | Tolo 7950 | Email: info@bdvplatinum.com
Telephone: 021 701 7800 | Fax: 021 638 8572 | Web: www.bdvplatinum.com
Directors: Braam de Vries, Mark Dewoon | Practice No: 903101

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Sikhula Sonke Early Childhood Development NPC for the year ended 28 February 2015.

1. Nature of business

Sikhula Sonke Early Childhood Development NPC was incorporated in South Africa and addresses the need for early childhood development in Khayelitsha.

2. Review of financial results and activities

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Directors

The directors in office at the date of this report are as follows:

Directors
Evan Torrance
Mdebuka Mhwazi
Sindiswa Dapula
Jenny Klein
Deborah Hancox

4. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

6. Auditors

BDV Platinum will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

7. Secretary

The company secretary is J.M. Gianville.

Postal address

131 Camp Ground Road
Newlands
7700

Business address

131 Camp Ground Road
Newlands
7700

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2015

Statement of Financial Position as at 28 February 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	68,434	22,896
Current Assets			
Trade and other receivables	3	109,099	-
Cash and cash equivalents	4	1,314,682	1,255,848
Total Assets		1,423,781	1,255,848
Equity and Liabilities			
Equity			
Retained income		748,671	482,398
Liabilities			
Current Liabilities			
Trade and other payables	5	743,544	796,346
Total Equity and Liabilities		1,492,215	1,278,744

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue			
Other income	14	2,943,760	1,916,938
Operating expenses		53,613	32,801
Operating profit		(2,731,100)	(1,705,030)
Profit for the year		266,273	244,709
Other comprehensive income		266,273	244,709
Total comprehensive income for the year		-	-
Other comprehensive income		266,273	244,709
Total comprehensive Income		-	-
		266,273	244,709

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2013		
Profit for the year	237,689	237,689
Other comprehensive income	244,709	244,709
	-	-
Total comprehensive income for the year	244,709	244,709
Balance at 01 March 2014		
Profit for the year	482,398	482,398
Other comprehensive income	266,273	266,273
	-	-
Total comprehensive income for the year	266,273	266,273
Balance at 28 February 2015	748,671	748,671
Note(s)		

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	7	124,954	748,156
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(66,120)	(20,000)
Total cash movement for the year		58,834	728,156
Cash at the beginning of the year		1,255,848	527,692
Total cash at end of the year	4	1,314,682	1,255,848

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
Office equipment	5 years
IT equipment	3 years
Curriculum programme	5 years
Leasehold improvements	10 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2016

Notes to the Annual Financial Statements

Figures in Rand

	2015		2014	
2. Property, plant and equipment				
	2015		2014	
	Cost / Valuation	Accumulated depreciation and impairments	Cost / Valuation	Accumulated depreciation and impairments
Furniture and fixtures	9,885	(9,885)	9,885	(9,885)
Office equipment	66,120	(11,020)	-	-
IT equipment	93,805	(80,271)	13,334	-
Curriculum programme	26,000	(26,000)	93,605	(70,709)
Total	195,610	(127,176)	129,490	(106,594)
		Carrying value		Carrying value
		68,434		22,896
				22,896
Reconciliation of property, plant and equipment - 2015				
	Opening balance	Additions	Depreciation	Total
Office equipment	-	66,120	(11,020)	55,100
IT equipment	22,896	-	(9,562)	13,334
	22,896	66,120	(20,582)	68,434
Reconciliation of property, plant and equipment - 2014				
	Opening balance	Additions	Depreciation	Total
IT equipment	8,686	20,000	(5,790)	22,896
3. Trade and other receivables				
Violence Prevention through Urban Upgrade claim (July - Dec 2014)			109,099	-
4. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand			4,383	3,500
Bank balances			1,310,299	1,252,348
			1,314,682	1,255,848
5. Trade and other payables				
Deferred income:				
- ApexHi			-	200,000
- Childwick Trust - Jim Joel			-	125,000
- Department of Social Development			94,000	90,000
- First National Bank Fund			55,000	96,000
- Home Choice Development Trust			180,000	-
- National Lottery Distribution Trust Fund			-	125,000
- Percy Fox Foundation			245,000	-
Accruals			150,000	150,000
Payroll Accruals			9,776	2,832
			9,768	7,514
			743,644	796,346

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2015

Notes to the Annual Financial Statements

Figures in Rand

	2015	2014
6. Taxation		
No provision has been made for taxation as the organisation is exempt from tax in terms of Section 30 and 10(1)(cN) of the Income Tax Act. The organisation's PBO number is 930 004 377.		
7. Cash generated from operations		
Profit before taxation	266,273	244,709
Adjustments for:		
Depreciation and amortisation	20,582	5,789
Changes in working capital:		
Trade and other receivables	(109,099)	-
Trade and other payables	(52,802)	497,658
	124,954	748,156
8. Basic training and coaching		
Accounting and payroll fees	35,766	43,644
Office equipment	2,794	-
Program management	230,919	266,566
Programme costs	15,746	18,914
Refreshments and nutrition	12,418	5,829
Staff development, training and welfare	693	-
Telephone and communication	2,796	9,256
Travel	2,977	15,926
	304,109	360,135
9. ECD conference		
Entertainer fee	800	-
Equipment hire	1,485	-
Hall hire	2,500	-
Printing and stationery	3,872	-
Refreshments and nutrition	7,360	-
Telephone and communication	59	-
Toy kits	107,758	-
	123,834	-
10. Emthonjenti outreach		
Accounting and payroll fees	39,066	24,622
Entrance fees	2,050	435
Graduation costs	-	527
Office equipment	2,794	-
Programme costs	24,816	11,333
Project management	546,749	364,641
Refreshment and nutrition	38,732	21,432
Staff development, training and welfare	1,893	-
Telephone and communication	4,255	5,943
Travel	11,932	8,016
	672,287	436,949

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010958/08)
Annual Financial Statements for the year ended 28 February 2015

Notes to the Annual Financial Statements

Figures in Rand

	2015	2014
11. Family community motivator		
Accounting and payroll fees		
Entrance fees	35,766	21,822
Graduation costs	2,050	435
Office equipment and toy kits	-	527
Other costs	118,965	-
Program management	-	18,520
Programme costs	885,283	435,804
Refreshment and nutrition	39,822	9,979
Staff development	19,443	23,539
Telephone and communication	9,263	-
Travel	2,583	5,069
	-	40,618
	1,113,175	656,313
12. Funda - udlathe library services		
Accounting and payroll fees		
Office equipment and toykits	35,766	21,822
Program management	-	7,573
Programme costs	180,658	105,495
Staff development, training and welfare	5,877	2,101
Telephone and communication	1,860	-
Travel	751	3,736
	1,732	1,452
	226,844	142,178
13. General program expenditure		
Department of Social Development Mew Way	-	4,933
14. Revenue		
Apex Hi		
Cape Union Mart	200,000	169,230
Department of Social Development	18,000	15,000
ENS	614,052	568,559
Economic Policy and Research Institute	10,000	-
Fee income	-	44,400
FirstRand Foundation	42,020	21,050
General income	467,000	153,000
Home Choice Development Trust	28,023	63,254
Kids Development Academy	150,000	-
Momentum	-	20,000
National Lottery Distribution Trust Fund	135,000	-
Nedbank Trust - Helping Hand	187,400	53,425
Nussbaum Constantia	-	15,000
Percy Fox Foundation	-	50,000
RB Hagart Trust	150,000	150,000
River's Edge Community Church	-	100,000
The Childwick - Jim Joel Foundation	39,484	67,486
Tshkululu	331,000	241,734
Violence Prevention though Urban Upgarde	86,000	-
	475,781	184,800
	2,943,760	1,916,938

Sikhula Sonke Early Childhood Development NPC

Formerly Non Profit Company
(Registration number 2003/010956/08)
Annual Financial Statements for the year ended 28 February 2015

Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Funding received	14	2,943,760	1,916,938
Other income			
Interest received		53,613	32,249
Sundry income		-	552
		53,613	32,801
Operating expenses			
AGM publications brochures		4,410	-
Accounting and payroll fees		34,366	20,454
Auditors remuneration		2,280	1,368
Bank charges		2,310	2,290
Basic training and coaching	8	304,109	360,136
Cleaning materials		978	328
Computer expenses		2,866	915
Consulting fees		3,994	-
Consumables		-	368
Depreciation		20,582	5,789
Donations and gifts		1,320	100
ECD conference	9	123,834	-
Electricity and gas		1,363	1,145
Emthonjeni outreach	10	672,287	436,949
Entrance fees		-	900
Equipment hire		1,135	-
Family community motivator	11	1,113,175	556,314
Food parcels		-	2,250
Funda - Udale library services	12	226,844	142,179
Fundraising and marketing costs		57,693	34,002
General program expenditure		-	4,933
Insurance		1,722	1,296
Membership fees		350	350
Office equipment		9,380	-
Postage		465	275
Printing and stationery		2,972	5,429
Refreshments		5,050	9,925
Rental office		4,016	5,060
Repairs and maintenance		5,627	1,012
SARS penalties and interest		588	704
Salaries and wages		102,943	84,563
Security		981	721
Small items less than R5000		699	-
Staff development, training and welfare		12,660	6,920
Strategic Planning		-	6,494
Telephone and fax		1,464	1,617
Travel costs		6,322	6,644
Volunteer Stipend		1,500	3,600
Website costs		795	-
		2,731,100	1,705,030
Profit for the year		266,273	244,709