

**SIKHULA SONKE EARLY CHILDHOOD DEVELOPMENT  
(ASSOCIATION INCORPORATED UNDER SECTION 21)  
(Registration number 2003/010956/08)**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
28 FEBRUARY 2013**

# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2013

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Early Childhood development and training
<b>Directors</b>	Deborah Hancox Evan Torrance Gloria Mbali Janet Glanville Jenny Klein Mdebuka Mthwazi Sindiswa Dapula
<b>Registered office</b>	22 Cavendish Street Claremont 7735
<b>Business address</b>	35 - 903 Cephe Crescent Harare Square Harare Khayalitsha 7784
<b>Postal address</b>	P.O. Box 23122 Claremont 7735
<b>Bankers</b>	ABSA
<b>Auditors</b>	BDV Platinum Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Secretary</b>	J.M. Glanville
<b>Company registration number</b>	2003/010956/08
<b>NPO number</b>	030-217
<b>PBO number</b>	930 004 377

# Sikhula Sonke Early Childhood Development

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# Sikhula Sonke Early Childhood Development

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## Directors' Responsibilities and Approval

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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 Standards. 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 Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 28 February 2014 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.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved by the board on 13 September 2013 and were signed on its behalf by:

  
\_\_\_\_\_  
Evan Torrance

  
\_\_\_\_\_  
Janet Glanville

Claremont

13 September 2013

## Independent Auditors' Report

### To the members of Sikhula Sonke Early Childhood Development

We have audited the annual financial statements of Sikhula Sonke Early Childhood Development, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 15.

### 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 Standards, 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 as at 28 February 2013, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, 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 pages 16 to 17 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.



**BDV Platinum**  
Chartered Accountants (S.A.)  
Registered Accountants and Auditors

13 September 2013

49 Bell Crescent  
Westlake Business Park  
Westlake  
7945

Physical Address: 49 Bell Crescent | Westlake Business Park | Westlake 7945  
Postal Address: P.O. Box: 31406 | Tokai 7966 | Email: admin@bdvplatinum.com  
Telephone: 021 701 7620 | Fax: 086 639 9572 | Web: www.bdvplatinum.com

Members: Andre Botha, Braam de Vries, Mark Dawson

# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

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Annual Financial Statements for the year ended 28 February 2013

## Directors' Report

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The directors submit their report for the year ended 28 February 2013.

### 1. Review of activities

#### Main business and operations

The company is engaged in early childhood development and training and operates principally in South Africa.

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.

Net profit of the company was R 14,120 (2012: profit R 318,132), after taxation of R - (2012: R -).

Registered office	22 Cavendish Street Claremont 7735
Business address	35 - 903 Cephe Crescent Harare Square Harare Khayalitsha 7784
Postal address	P.O. Box 23122 Claremont 7735

### 2. 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.

### 3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

### 4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name  
Deborah Hancox  
Evan Torrance  
Gloria Mbali  
Janet Glanville  
Jenny Klein  
Mdebuka Mthwazi  
Sindiswa Dapula

### 5. Secretary

The secretary of the company is J.M. Glanville.

### 6. Auditors

BDV Platinum CA (S.A.) will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

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Annual Financial Statements for the year ended 28 February 2013

## Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	8,686	15,907
Current Assets			
Trade and other receivables	3	-	11,904
Cash and cash equivalents	4	527,692	555,716
		<b>527,692</b>	<b>567,620</b>
<b>Total Assets</b>		<b>536,378</b>	<b>583,527</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		237,688	223,568
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	5	298,690	359,959
<b>Total Equity and Liabilities</b>		<b>536,378</b>	<b>583,527</b>

# Sikhula Sonke Early Childhood Development

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## Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue		1,128,600	999,129
Operating expenses		(1,114,480)	(808,839)
<b>Operating profit</b>		<b>14,120</b>	<b>190,290</b>
Capital expenditure expensed		-	127,842
<b>Profit for the year</b>		<b>14,120</b>	<b>318,132</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>14,120</b>	<b>318,132</b>



# Sikhula Sonke Early Childhood Development

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Annual Financial Statements for the year ended 28 February 2013

## Statement of Changes in Equity

Figures in Rand	Sustainability fund	Retained income	Total equity
<b>Balance at 01 March 2011</b>	<b>144,566</b>	<b>(94,564)</b>	<b>50,002</b>
Changes in equity			
Total comprehensive income for the year	(144,566)	318,132	173,566
Total changes	(144,566)	318,132	173,566
<b>Balance at 01 March 2012</b>	-	<b>223,568</b>	<b>223,568</b>
Changes in equity			
Total comprehensive income for the year	-	14,120	14,120
Total changes	-	14,120	14,120
<b>Balance at 28 February 2013</b>	-	<b>237,688</b>	<b>237,688</b>

# Sikhula Sonke Early Childhood Development

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## Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	7	(28,024)	164,086
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(17,370)
Sale of property, plant and equipment	2	-	16,723
<b>Net cash from investing activities</b>		-	<b>(647)</b>
<b>Total cash movement for the year</b>		<b>(28,024)</b>	<b>163,439</b>
Cash at the beginning of the year		555,716	392,277
<b>Total cash at end of the year</b>	4	<b>527,692</b>	<b>555,716</b>

# Sikhula Sonke Early Childhood Development

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Annual Financial Statements for the year ended 28 February 2013

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, 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.

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.

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

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
IT equipment	3 years
Curriculum programme	5 years
Leasehold improvements	10 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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

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## Notes to the Annual Financial Statements

Figures in Rand 2013 2012

### 2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	9,885	(9,885)	-	9,885	(9,455)	430
IT equipment	73,605	(64,919)	8,686	73,605	(58,128)	15,477
Curriculum programme	26,000	(26,000)	-	26,000	(26,000)	-
<b>Total</b>	<b>109,490</b>	<b>(100,804)</b>	<b>8,686</b>	<b>109,490</b>	<b>(93,583)</b>	<b>15,907</b>

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Other changes, movements	Total
Furniture and fixtures	430	(430)	-
IT equipment	15,477	(6,791)	8,686
	<b>15,907</b>	<b>(7,221)</b>	<b>8,686</b>

#### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,581	-	-	(1,151)	430
IT equipment	11,501	17,370	-	(13,394)	15,477
Curriculum programme	1,083	-	-	(1,083)	-
Leasehold improvements	16,723	-	(16,723)	-	-
	<b>30,888</b>	<b>17,370</b>	<b>(16,723)</b>	<b>(15,628)</b>	<b>15,907</b>

### 3. Trade and other receivables

Donations outstanding	-	11,904
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11,150	(830)
Bank balances	516,542	556,546
	<b>527,692</b>	<b>555,716</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>5. Trade and other payables</b>		
Accrued expenses	5,883	4,112
Income received in advance	-	100
<b>Deferred income</b>		
- Apex Hi	169,230	-
- Gerald Fox	-	137,000
- Jim Joel	66,734	58,734
- National Lottery	-	106,013
- Tshikululu	49,000	54,000
Payroll accruals	7,843	-
	<b>298,690</b>	<b>359,959</b>
<b>6. Taxation</b>		
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 organisations PBO number is 930 004 377.		
<b>7. Cash (used in) generated from operations</b>		
Profit before taxation	14,120	318,132
<b>Adjustments for:</b>		
Depreciation and amortisation	7,221	15,629
Transfer from sustainability fund	-	(127,842)
Sale of property, plant and equipment	-	(16,723)
<b>Changes in working capital:</b>		
Trade and other receivables	11,904	(1,797)
Trade and other payables	(61,269)	(23,313)
	<b>(28,024)</b>	<b>164,086</b>
<b>8. Basic training</b>		
Accounting fees	13,045	-
Hall rental	-	6,000
Learning site evaluation	-	5,900
Management salaries	-	2,000
Operational costs	8,404	-
Printing and stationery	-	3,437
Program management	101,821	47,995
Refreshments and nutrition	3,496	-
Staff training	6,100	-
Telephone and communication	4,520	2,760
Trainer	-	27,813
Trainer cost	-	2,000
Travel	3,175	600
	<b>140,561</b>	<b>98,505</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>9. ECD centre coaching and support</b>		
Accounting fees	13,045	-
ECD centre coaching printing and stationery	-	3,353
ECD centre coaching program management	-	8,415
ECD centre coaching support	-	32,900
ECD centre coaching trainer costs	-	19,245
ECD centre toyboxes and resources	-	3,640
Graduation expenses	-	853
Monitors salaries	-	7,000
Operational costs	8,404	-
Program management	117,689	-
Program management - ED	-	1,600
Resource centre co-ordinator	-	1,100
Telephone and communication	4,019	-
Travel	1,198	-
Tshikululu monitor and coaching	-	24,200
Tshikululu monitor management	-	7,260
Tshikululu monitor travel	-	1,000
	<b>144,355</b>	<b>110,566</b>
<b>10. Emthonjeni</b>		
Accounting fees	13,045	-
Emthonjeni equipment and material storage	-	200
Emthonjeni field worker	-	5,500
Emthonjeni graduation costs	361	-
Emthonjeni operational costs	9,083	-
Emthonjeni printing, stationery and cell	-	1,600
Emthonjeni projects facilitator and co-ordinator	-	41,400
Emthonjeni projects management	206,026	20,000
Emthonjeni refreshments and nutrition	5,526	5,017
Emthonjeni telephone and communication	3,188	-
Emthonjeni toykits	14,342	-
Staff development	358	-
Travel	4,607	-
	<b>256,536</b>	<b>73,717</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>11. Family community motivator</b>		
Accounting fees	13,045	-
DG Murray FCM printing and stationery	-	800
DG Murray FCM tell and communication	-	600
DG Murray FCM travelling expense	-	625
DG Murray field worker salary	-	17,500
DG Murray program management	-	4,660
DG Murray program supervisor	-	5,500
Enkanini - earring project	-	300
FCM workshop material	-	50
Graduation costs	360	-
Jim Joel FCM communication	-	1,531
Jim Joel FCM field worker salaries	-	155,500
Jim Joel FCM printing and stationery	-	1,650
Jim Joel FCM program management	-	28,805
Jim Joel FCM travelling	-	5,375
Operational costs	8,703	-
Program management	214,588	-
Program management cost	-	1,600
Refreshments and nutrition	3,522	-
Staff development	377	-
Telephone and communication	5,274	-
Toys/book kit	-	2,000
Travel	6,404	-
	<b>252,273</b>	<b>226,496</b>
<b>12. Funda - udlale library services</b>		
Accounting fees	13,045	-
Consumables	-	444
Library resourcing	-	4,717
Operational costs	1,692	-
Program management	141,502	-
Projects management - executive director	-	5,500
Telephone and communication	4,019	-
Travel	3,593	-
	<b>163,851</b>	<b>10,661</b>
<b>13. General program expenditure</b>		
Department of Social Development adhoc project	10,850	-
Printing and stationery - NQF	-	2,864
Refreshments - NQF	-	2,786
Telephone and cellphone - NQF	-	5,053
Travelling expenses - NQF	-	1,261
	<b>10,850</b>	<b>11,964</b>

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## Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>14. Upgrade services</b>		
Building costs	13,999	56,109
Membership support	-	4,600
Project management and reporting	-	13,500
Project supervision	-	16,000
Telephone and communication	88	-
Travel expenses	-	6,000
	<b>14,087</b>	<b>96,209</b>



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## Detailed Income Statement

Figures in Rand	Note(s)	2013	2012
<b>Revenue</b>			
Apex Hi		30,770	-
Claremont Rotary income		-	50,000
Collaborative Initiative DSD		-	10,000
DG Murray Trust		-	54,963
Donations received		-	23,451
Eskom Development Fund		15,000	-
Fee income		30,810	-
General income		54,141	138,938
National Lottery		277,025	-
Nussbaum Constantia income		-	50,000
Percy Fox Foundation		167,000	-
River's Edge Community Church		9,854	-
Rusty Bernstein upgrade program income		-	107,000
The Childwick - Jim Joel Foundation		192,000	217,984
Training income		-	13,550
Tshikululu foundation		155,000	227,243
VPUU research project income		197,000	106,000
		<b>1,128,600</b>	<b>999,129</b>

# Sikhula Sonke Early Childhood Development

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## Detailed Income Statement

Figures in Rand	Note(s)	2013	2012
<b>Operating expenses</b>			
Accounting fees		11,544	7,870
Assets less than R5 000		486	3,200
Auditors remuneration		1,596	-
Bank charges		919	4,263
Basic Training	8	140,561	98,505
Books and periodicals		-	33
Casual wages		-	9,875
Cleaning materials		17	255
Computer expenses		2,049	2,344
Conferences and workshops		-	6,998
Depreciation		7,221	15,629
ECD centre coaching and support	9	144,355	110,565
Emthonjeni	10	256,536	73,717
Entertainment		559	103
Family community motivator	11	252,273	226,496
Funda - Udlale library services	12	163,851	10,661
Fundraising and marketing costs		32,932	-
General Program Expenditure	13	10,850	11,964
Insurance		1,166	6,093
Material costs		2,012	-
Memberships fees		200	1,065
Postage		983	554
Printing and stationery		3,693	562
Rates		1,162	400
Refreshments		3,231	1,341
Rental office		5,520	19,320
Repairs and maintenance		3,057	1,183
SARS penalties and interest		552	-
Salaries and wages - administration		31,843	92,500
Security		758	3,771
Staff development, training and welfare		6,899	-
Strategic planning		6,932	-
Telephone and fax		2,294	1,929
Travel costs		3,867	910
Upgrade services	14	14,087	96,209
Website costs		473	524
		<b>1,114,478</b>	<b>808,839</b>
<b>Operating profit</b>		<b>14,122</b>	<b>190,290</b>
Transfer from Sustainability fund		-	127,842
<b>Profit for the year</b>		<b>14,122</b>	<b>318,132</b>