

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

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
28 FEBRUARY 2014**

# **Sikhula Sonke Early Childhood Development**

(Association incorporated under Section 21)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

## **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 Mballi 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>Tax reference number</b>	9740630141
<b>NPO number</b>	030-217
<b>PBO number</b>	930 004 377

# **Sikhula Sonke Early Childhood Development**

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

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Annual Financial Statements for the year ended 28 February 2014

## 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.

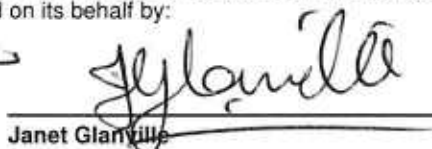
The directors have reviewed the company's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 15, which have been prepared on the going concern basis, were approved by the board on 27 June 2014 and were signed on its behalf by:



Evan Torrance



Janet Glanville

Claremont

27 June 2014

## 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 2014, 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 13.

### 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 qualified audit opinion.

### Basis for Qualified Opinion

In common with similar organisation's, it is not feasible for the organisation to institute accounting controls over cash collections prior to the initial entry of collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Sikhula Sonke Early Childhood Development as at 28 February 2014, and its financial performance and 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.

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

27 June 2014

**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)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

## Directors' Report

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The directors submit their report for the year ended 28 February 2014.

### 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 244,709 (2013: profit R 14,121), after taxation of R - (2013: 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  
Janet Glanville  
Gloria Mbali  
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)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

## Statement of Financial Position

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	22,896	8,686
Current Assets			
Cash and cash equivalents	3	1,255,848	527,692
<b>Total Assets</b>		<b>1,278,744</b>	<b>536,378</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		482,398	237,689
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	4	796,346	298,689
<b>Total Equity and Liabilities</b>		<b>1,278,744</b>	<b>536,378</b>

## Sikhula Sonke Early Childhood Development

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(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue		1,916,938	1,128,600
Other income		32,801	-
Operating expenses		(1,705,030)	(1,114,479)
<b>Operating profit</b>		<b>244,709</b>	<b>14,121</b>
<b>Profit for the year</b>		<b>244,709</b>	<b>14,121</b>



## Sikhula Sonke Early Childhood Development

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Annual Financial Statements for the year ended 28 February 2014

### Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 March 2012</b>	<b>223,568</b>	<b>223,568</b>
Changes in equity		
Total comprehensive income for the year	14,121	14,121
Total changes	14,121	14,121
<b>Balance at 01 March 2013</b>	<b>237,689</b>	<b>237,689</b>
Changes in equity		
Total comprehensive income for the year	244,709	244,709
Total changes	244,709	244,709
<b>Balance at 28 February 2014</b>	<b>482,398</b>	<b>482,398</b>

## Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

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Annual Financial Statements for the year ended 28 February 2014

### Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	6	748,156	(28,024)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(20,000)	-
<b>Total cash movement for the year</b>		<b>728,156</b>	<b>(28,024)</b>
Cash at the beginning of the year		527,692	555,716
<b>Total cash at end of the year</b>	3	<b>1,255,848</b>	<b>527,692</b>

# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

## 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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Annual Financial Statements for the year ended 28 February 2014

## Notes to the Annual Financial Statements

Figures in Rand 2014 2013

### 2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	9,885	(9,885)	-	9,885	(9,885)	-
IT equipment	93,605	(70,709)	22,896	73,605	(64,919)	8,686
Curriculum programme	26,000	(26,000)	-	26,000	(26,000)	-
<b>Total</b>	<b>129,490</b>	<b>(106,594)</b>	<b>22,896</b>	<b>109,490</b>	<b>(100,804)</b>	<b>8,686</b>

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
IT equipment	8,686	20,000	(5,790)	22,896

#### 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>

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,500	11,150
Bank balances	1,252,348	516,542
	<b>1,255,848</b>	<b>527,692</b>

### 4. Trade and other payables

Accruals	2,832	7,843
<b>Deferred income</b>		
- ApexHi	200,000	169,230
- Childwick Trust - Jim Joel Foundation	125,000	66,734
- Department of Social Development	90,000	-
- First National Bank Fund	96,000	49,000
- Home Choice Development Trust	125,000	-
- Percy Fox Foundation	150,000	-
Payroll accruals	7,514	5,882
	<b>796,346</b>	<b>298,689</b>

### 5. 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 organisations PBO number is 930 004 377.

# Sikhula Sonke Early Childhood Development

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## Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>6. Cash generated from (used in) operations</b>		
Profit before taxation	244,709	14,121
<b>Adjustments for:</b>		
Depreciation and amortisation	5,789	7,221
<b>Changes in working capital:</b>		
Trade and other receivables	-	11,804
Trade and other payables	497,658	(61,170)
	<b>748,156</b>	<b>(28,024)</b>
<b>7. Basic Training</b>		
Accounting fees	21,822	13,045
Operational costs	9,636	8,404
Program management	92,717	101,822
Refreshments and nutrition	5,829	3,496
Staff training	-	6,100
Telephone and communication	5,343	4,520
Travel	3,474	3,175
	<b>138,821</b>	<b>140,562</b>
<b>8. ECD Centre Coaching and Support</b>		
Accounting fees	21,822	13,045
Operational costs	9,278	8,404
Program management	173,849	117,689
Telephone and communication	3,913	4,019
Travel	12,452	1,198
	<b>221,314</b>	<b>144,355</b>
<b>9. Emthonjeni</b>		
Accounting fees	24,622	13,045
Emthonjeni entrance fees	435	-
Emthonjeni graduation costs	527	361
Emthonjeni operational costs	11,333	9,083
Emthonjeni project management	364,641	206,026
Emthonjeni refreshment and nutrition	21,432	5,526
Emthonjeni telephone and communication	5,943	3,188
Emthonjeni toykits	-	14,342
Staff development	-	358
Travel	8,016	4,607
	<b>436,949</b>	<b>256,536</b>

## Sikhula Sonke Early Childhood Development

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### Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>10. Family Community Motivator</b>		
Accounting fees	21,822	13,045
Entrance fees	435	-
Graduation costs	527	360
Operational costs	9,979	8,703
Other costs	18,520	-
Program management	435,804	214,588
Refreshment and nutrition	23,539	3,522
Staff development	-	377
Telephone and communication	5,069	5,274
Travel	40,618	6,404
	<b>556,313</b>	<b>252,273</b>
<b>11. Funda - udlale Library Service</b>		
Accounting fees	21,822	13,045
Office equipment and toykits	7,573	-
Operational costs	2,101	1,692
Program management	105,495	141,502
Telephone and communication	3,736	4,019
Travel	1,452	3,593
	<b>142,179</b>	<b>163,851</b>
<b>12. General program expenditure</b>		
Department of Social Development Mew Way	4,933	10,850
<b>13. Upgrade Services</b>		
Building costs	-	13,999
Telephone and communication	-	88
	<b>-</b>	<b>14,087</b>

## Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

### Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
<b>Revenue</b>			
ApexHi		169,230	30,770
Cape Union Mart		15,000	-
Childwick Trust - Jim Joel Foundation		241,734	192,000
Claremont Rotary		15,000	-
Department of Social Development		568,559	-
Economic Policy and Research Institute		44,400	-
Eskom Development Fund		-	15,000
Fee Income		21,050	30,810
First National Bank Fund		153,000	155,000
General Income		48,254	54,141
Grove Helping Hand		15,000	-
Kidz Development Academy		20,000	-
National Lottery Development Trust Fund		53,425	277,025
Percy Fox Foundation		150,000	167,000
RB Hagart Trust		100,000	-
River's Edge Community Church		67,486	9,854
Rolf-Stefan Nussbaum Foundation		50,000	-
Violence Prevention Through Urban Upgrade		184,800	197,000
		<b>1,916,938</b>	<b>1,128,600</b>
<b>Other income</b>			
Interest received		32,249	-
Sundry income		552	-
		<b>32,801</b>	<b>-</b>

# Sikhula Sonke Early Childhood Development

(Association incorporated under Section 21)

(Registration number 2003/010956/08)

Annual Financial Statements for the year ended 28 February 2014

## Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
<b>Operating expenses</b>			
Accounting fees		20,454	11,544
Assets less than R5 000		-	486
Auditors remuneration		1,368	1,596
Bank charges		2,290	920
Basic Training	7	138,821	140,562
Cleaning materials		328	17
Computer expenses		407	2,049
Consulting fees		2,250	-
Consumables		368	-
Depreciation		5,789	7,221
Donations and gifts		100	-
ECD centre coaching and support	8	221,314	144,354
Emthonjeni	9	436,949	256,536
Entertainment		-	559
Family community motivator	10	556,313	252,274
Funda - Udlale library services	11	142,179	163,851
Fundraising and marketing costs		34,002	32,932
General program expenditure	12	4,933	10,850
Hire		3,600	-
Insurance		1,296	1,166
Material costs		-	2,012
Memberships fees		350	200
Postage		275	983
Printing and stationery		5,429	3,693
Rates		1,145	1,162
Refreshments		9,925	3,230
Rental office		5,060	5,520
Repairs and maintenance		1,012	3,057
SARS penalties and interest		704	552
Salaries and wages - administration		84,565	31,843
Security		721	758
Staff development, training and welfare		7,820	6,899
Strategic planning		6,494	6,932
Telephone and fax		1,617	2,294
Travel costs		6,644	3,867
Upgrade services	14	-	14,087
Website costs		508	473
		<b>1,705,030</b>	<b>1,114,479</b>
<b>Profit for the year</b>		<b>244,709</b>	<b>14,121</b>