

**NELSON MANDELA TOWNSHIP CHANGE A LIFE
(Public Benefit Organisation Number : 9300033563)**

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2016

NELSON MANDELA TOWNSHIP CHANGE A LIFE
(Public Benefit Organisation Number : 9300033563)

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2016

I N D E X

	Page
REPORT OF THE INDEPENDENT AUDITORS	1 - 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF COMPREHENSIVE INCOME	4
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS	5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	6 - 7

The annual financial statements were approved by the board members and are signed on their behalf by:



.....
CHAIRPERSON

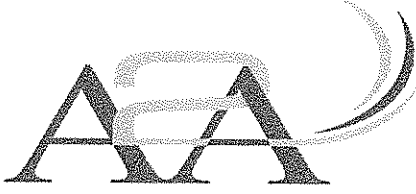


.....
TREASURER

PORT ALFRED
23 June 2017



O. Ntamo



INDEPENDENT AUDITOR'S REPORT

to the **BOARD MEMBERS** of

NELSON MANDELA TOWNSHIP CHANGE A LIFE

Opinion

We have audited the financial statements of Nelson Mandela Township Change a Life set out on pages 3 to 7, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect on the annual financial statements of the matter referred to in the basis for opinion, the financial statements present fairly, in all material respects, the financial position of Nelson Mandela Township Change a Life as of 31 December 2016, and of its financial performance for the year then ended in accordance with the accounting practices adopted by the entity.

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

We are independent of the organisation 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)*.

In common with similar organisation's, it is not feasible for Nelson Mandela Township Change a Life, to institute accounting controls over cash collections from donations and fund raising prior to the initial entry of the collection in the accounting records. Accordingly it was impractical for us to extend our examination beyond the receipts actually recorded.

Emphasis of Matter

Without further qualifying our opinion above, we draw your attention to the fact that the entity's ability to continue operating as a going concern is dependent on the continued support of its donors and sponsors.

Responsibilities of the Board members for the Financial Statements

The organisation board members are responsible for the preparation and fair presentation of these financial statements in accordance with the policies adopted by the entity and the requirements of the International Standards of Auditing and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AZA Kopano Incorporated

L.N O.N

IRBA. NO. 901944-0011 • Co. Reg. No.: 1998/014078/21

Directors: Chairman: KJ Sihole
 Chief Executive Officer: HAS Mooka
 Chairman of Executive Committee: MSA Panak
List of Directors available at the registered office or national website

Offices in: Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

Website: www.azakopano.co.za

In preparing the financial statements, the board members are responsible for assessing the organisation'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 board members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

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 organisation internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members 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 organisations 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 organisation 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 board members 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.

A2A Kopano Incorporated

A2A KOPANO INCORPORATED

Director: HA Wormald

Registered Auditors

PORT ALFRED

23 June 2017

L.N O.N

IRBA. NO. 901944-0011 • Co. Reg. No.: 1998/014078/21

Directors: Chairmen: K.J. Sibiya
Chief Executive Officer: HAS Nkomo
Chairman of Executive Committee: MSA Parok
List of Directors available at the registered office or national website

Offices in: Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

Website: www.a2akopano.co.za

NELSON MANDELA TOWNSHIP CHANGE A LIFE
STATEMENT OF FINANCIAL POSITION – 31 December 2016

	Notes	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	11,491	14,365
Related party loan	2	153,400	153,400
		<u>164,891</u>	<u>167,765</u>
CURRENT ASSETS			
Cash and cash equivalents	3	20,263	276,144
TOTAL ASSETS		<u>185,154</u>	<u>443,909</u>
EQUITY AND LIABILITIES			
RESERVES			
Accumulated funds	4	171,622	433,610
CURRENT LIABILITIES			
Trade and other payables	5	13,532	10,299
TOTAL EQUITY AND LIABILITIES		<u>185,154</u>	<u>443,909</u>

L.N

O.N

NELSON MANDELA TOWNSHIP CHANGE A LIFE

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Note	2016 R	2015 R
REVENUE			
Donations received	6	208,110	340,203
Sponsorships and grants	8	469,670	871,809
		<u>677,780</u>	<u>1,212,012</u>
Less: EXPENSES			
		939,768	878,956
Audit fees		11,405	9,912
Affiliated clubs donations	7	307,588	176,781
Bank charges		2,879	3,935
Depreciation		12,397	22,945
Education expenses, empowerment and transport		331,799	374,416
Food expenses		144,688	132,885
Insurance		254	-
Loss on disposal of asset		8	-
Medical expenses		711	12,125
Printing, postage and stationary		15,241	7,479
Rent		5,400	5,400
Repairs and maintenance		10,652	29,015
Salaries and wages		72,080	89,133
Small assets expensed		12,502	-
Telephone and fax		12,164	14,930
(Deficit) / Surplus For The Year		<u>(261,988)</u>	<u>333,056</u>

L.N

O.N

NELSON MANDELA TOWNSHIP CHANGE A LIFE

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2016

ACCOUNTING POLICIES

The annual financial statements of the organisation are prepared in accordance with the accounting policies adopted by the entity using the historical cost convention. The basis of preparation is consistent with those applied in the previous year except as otherwise indicated.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the depreciable amount of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases.

Furniture and fittings	10.00%
Computer equipment	33.33%
Office equipment	16.66%

The depreciable amount is calculated as the cost of the asset less its residual value. The residual value is the estimated amount that the entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

Cash and cash equivalents

Cash and cash equivalents are stated at their nominal value.

Trade and other payables

Trade and other payables are stated at their nominal value.

Taxation

The organisation is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act No. 58 of 1962.

(Deficit) / Surplus from Operations

(Deficit) / Surplus from operations is stated before finance costs.

Revenue Recognition

Donation and funding income is recognised when the organisation's right to receive payment has been established.

Loans

Related entity loans are stated at their nominal value.

L.N

D.N

NELSON MANDELA TOWNSHIP CHANGE A LIFE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. PROPERTY, PLANT AND EQUIPMENT

	OFFICE EQUIPMENT	FURNITURE AND FITTINGS R	COMPUTER EQUIPMENT R	TOTAL R
Carrying amount at 31 December 2015	14,343	4	18	14,365
At cost	25,026	6,691	19,577	51,294
Accumulated depreciation	(10,683)	(6,687)	(19,559)	(36,929)
Additions	-	-	9,531	9,531
Disposals	-	-	(8)	(8)
Depreciation for the year	(2,868)	-	(9,529)	(12,397)
Carrying amount at 31 December 2016	11,475	4	12	11,491
At cost	25,026	6,691	19,734	51,449
Accumulated depreciation	(13,551)	(6,687)	(19,722)	(39,958)

2. RELATED PARTY LOAN

	2016 R	2015 R
Mike Thomson Change a Life Trust	<u>153,400</u>	<u>153,400</u>

The amount outstanding is secured by an 50.5% interest in a vehicle registered in the Trust's name. The amount is interest free and an amount equal to the percentage of interest held will be repaid if the vehicle is sold.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprises of balances with banks. The carrying amount approximates their fair value.

	2016 R	2015 R
FNB Cheque Account	<u>20,263</u>	<u>276,144</u>

4. ACCUMULATED FUNDS

	2016 R	2015 R
Balance at beginning of the year	433,610	100,554
(Deficit) / Surplus for the year	(261,988)	333,056
Balance at the end of the year	<u>171,622</u>	<u>433,610</u>

L.N O.N

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2016

5. TRADE AND OTHER PAYABLES

	2016 R	2015 R
Sundry creditors	1,682	449
Audit fee accrual	11,850	9,850
	<u>13,532</u>	<u>10,299</u>

The board members consider that the carrying amount of trade and other payables approximates their fair value.

6. DONATIONS RECEIVED

	2016 R	2015 R
Donations - International	80,517	306,367
- local	127,593	33,836
	<u>208,110</u>	<u>340,203</u>

7. AFFILIATED CLUB DONATIONS

	2016 R	2015 R
NEMATO Gymnastics Club	270,270	127,261
NEMATO Rowing Club	22,510	22,861
NEMATO Fencing Club	8,750	6,153
NEMATO Handball Club	6,058	20,506
	<u>307,588</u>	<u>176,781</u>

8. SPONSORSHIP AND GRANTS

	2016 R	2015 R
Mike Thompson Trust	400,000	458,337
Matinyana Fund	69,670	44,462
Claude Leon Foundation	-	170,000
Alexander Van Assendelft	-	129,010
Mnandi Bestbier	-	70,000
	<u>469,670</u>	<u>871,809</u>

L.N

O.N