

**NELSON MANDELA TOWNSHIP SPORTS FEDERATION**  
**(Public Benefit Organisation Number : 9300033563)**

**PORT ALFRED**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 December 2011**

PORT ALFRED

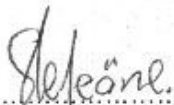
ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2011

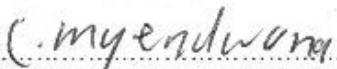
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The annual financial statements were approved by the board members and are signed on their behalf by:



.....  
SINAWO LETEANE (CHAIRPERSON)



.....  
CHUMKA MYENDWANA (TREASURER)

PORT ALFRED  
28 February 2012

**REPORT OF THE INDEPENDENT AUDITOR'S  
TO THE BOARD MEMBERS OF NELSON MANDELA TOWNSHIP SPORTS FEDERATION**

**Report on the financial statements**

We have audited the accompanying financial statements of Nelson Mandela Township Sports Federation, which comprise the balance sheet as at 31 December 2011, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organisation's preparation and fair presentation of the 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 organisation'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 financial statements.

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

**Qualification**

In common with similar organisations, it is not feasible for Nelson Mandela Township Sports Federation, 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.

**Opinion**

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of Nelson Mandela Township Sports Federation as of 31 December 2011, and of its financial performance for the year then ended in accordance with generally accepted accounting practice.

**Emphasis of Matter**

Without further qualifying our opinion, we draw attention to the fact that the entity is a nonprofit organization and is dependent on the continued financial support of its donors and funders in order to continue operating as a going concern.

*A2A Kopano Inc*  
**A2A KOPANO INCORPORATED**  
Registered Auditors

**PORT ALFRED**  
28 February 2012

IRBA NO. 901944

**Directors:** GL Therratt, GB Mclean, R Marais, I Wejodeen, Y Mohamed, HAS Moosa (Managing Director), CA Jactwat, JH Van Wyk, MI Stenekamp, MJ Sondiyazi (Chairman), KJ Sihole, RW Wari, MSA Paruk, YD Kadwa, HM Pieters, GJ Le Roux, AIG Ail, MA Schaafsma, S Mako's, HA Wormald, L Mokwem, M Motale, M Raubenheimer, AM Knowles, MR Amad

**Offices in:** Gauteng, Mpumalanga, Limpopo, Free State, Kwa-Zulu Natal, Eastern Cape and Western Cape

NELSON MANDELA TOWNSHIP SPORTS FEDERATION

BALANCE SHEET – 31 December 2011

	Notes	2011 R	2010 (11 months) R
<b>ASSETS</b>			
Related party loan	5	<u>741</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1	<u>28,103</u>	<u>14,136</u>
<b>TOTAL ASSETS</b>		<u>28,844</u>	<u>14,136</u>
<b>EQUITY AND LIABILITIES</b>			
<b>RESERVES</b>			
Accumulated funds	2	<u>25,144</u>	<u>10,936</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	3	<u>3,700</u>	<u>3,200</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>28,844</u>	<u>14,136</u>

NELSON MANDELA TOWNSHIP SPORTS FEDERATION

INCOME STATEMENT  
for the year ended 31 December 2011

	Note	2011 R	2010 (11 months) R
<b>REVENUE</b>			
Sponsorships		51,000	38,775
Donations received	4	<u>61,790</u>	<u>12,930</u>
		112,790	51,705
<b>Less: EXPENSES</b>			
Activities		5,285	-
Audit fees		2,538	3,200
Bank charges		1,688	1,323
Affiliated clubs		42,496	-
Food expenses		39,430	35,626
Printing, postage and stationery		840	-
Small assets expensed		6,245	620
Telephone and fax		60	-
		<u>98,582</u>	<u>40,769</u>
<b>Surplus For The Year / Period</b>		<u>14,208</u>	<u>10,936</u>

**NELSON MANDELA TOWNSHIP SPORTS FEDERATION**  
**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 December 2011**

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**ACCOUNTING POLICIES**

The annual financial statements of the organisation are prepared in accordance with South African Statements of Generally Accepted Accounting Practice using the historical cost convention. The basis of preparation is consistent with those applied in the previous year except as otherwise indicated.

**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 (The Act).

**Surplus from Operations**

Surplus from operations is stated before finance costs.

**Revenue Recognition**

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



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**1. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprises of balances with a bank. The carrying amount approximates their fair value.

	2011 R	2010 (11 months) R
FNB Business Transact Account	4,746	10,369
FNB Cheque Account	23,357	3,767
	<u>28,103</u>	<u>14,136</u>

**2. ACCUMULATED FUNDS**

	2011 R	2010 (11 months) R
Balance at beginning of the year	10,936	-
Surplus for the year	14,208	10,936
Balance at the end of the year	<u>25,144</u>	<u>10,936</u>

**3. TRADE AND OTHER PAYABLES**

	2011 R	2010 (11 months) R
Provision for audit fees	<u>3,700</u>	<u>3,200</u>

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

**4. DONATIONS RECEIVED**

	2011 R	2010 (11 months) R
Other income	875	12,930
Donations - International	41,550	-
- local	19,365	-
	<u>61,790</u>	<u>12,930</u>

**5. RELATED PARTY LOAN****Associate Entity Transactions**

	2011 R	2010 (11 months) R
	<b>Amount owed by associate entities</b>	
Nelson Mandela Township Gymnastics Club	<u>741</u>	<u>-</u>

Nelson Mandela Township Gymnastics Club is a related party because both the organisations are run by Mr Jan Blom.