

FRIENDS OF CHINTSA
(Registration Number 088-760 NPO)
Annual Financial Statements
for the year ended 28 February 2018



FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2018

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FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2018

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

MANAGEMENT

M.D. Denison

AUDITOR

Synergy Financial Services
45 Pearce Street
Berea
East London
5214



Independent Auditor's Report

To the Board of Friends of Chintsa

I have audited the annual financial statement of Friends of Chintsa, as set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of cash flow for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Director's responsibility for the annual financial statements

The organisation's Board is 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 the requirements of the Non-Profit Organisations Act, and for such internal control as the Board determines is necessary to enable the preparation of annual financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. These standards require that I 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 auditor's 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 of 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.

I believe that the audit evidence I have obtained is sufficient and appropriated to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Other income

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from fundraising and donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for me to extend my examination beyond receipts actually recorded.



Opening balances

The evidence available to me was limited because I was not appointed as auditor of the organisation until 8 August 2016. In consequence, it was not possible for me to perform the audit procedures necessary for me to obtain sufficient appropriate audit evidence as regards the opening balances as at 1 March 2015 as disclosed in the previous year's unaudited financial statements. Any adjustment to these opening balances would have a consequential effect on the profit for the year ended 28 February 2018.

Qualified opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the annual financial statements present fairly, in all material respects, the financial position of Friends of Chintsa as at 28 February 2018, and its financial performance and 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 Non-Profit Organisations Act.

Other matters

Without further qualifying my opinion, I draw attention to the fact that supplementary information set out on page 15-16 does not form part of the annual financial statements and it presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

Synergy Financial Services

SYNERGY FINANCIAL SERVICES
Chartered Accountants (South Africa)
Registered Auditors
Per: RF Hartwig

17 May 2019

SYNERGY FINANCIAL SERVICES
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
PRACTICE NUMBER: 933625-0000

Ruth Hartwig Chartered Accountant (South Africa) SAICA 08251181
Registered Auditor IRBA 338267 Practice number 933625-0000 |
Synergy Financial Services 45 Pearce Street, Berea, East London 5214
ruth@synergyfs.co.za, 083 555 8899 043 721 341



Report of the Compiler

To the Management of FRIENDS OF CHINTSA

We have compiled the accompanying annual financial statements of FRIENDS OF CHINTSA based on information you have provided. These annual financial statements comprise the statement of financial position of FRIENDS OF CHINTSA as at 28 February 2018, the statement of comprehensive income and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in Note 2 to the financial statements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act of South Africa.

Our compilation report is intended solely for your use in your capacity as management of FRIENDS OF CHINTSA, and should not be distributed to other parties.

Elsie D Muller

Per: _____
Accounting Officer

26 April 2019

73 Frere Road
Vincent
East London
5247



FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2018

Management's Responsibilities and Approval

Management is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that he is ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, Synergy Financial Services, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. Management believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' PLEASE SELECT ONLY ONE REPORT audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 7 to 11 were approved by the management committee on 26 April 2019 and were signed on its behalf by:


M.D. Denison

FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Financial Statements for the year ended 28 February 2018

Statement of Financial Position

| Figures in R | Note(s) | 2018 | 2017 |
|---------------------------------------|---------|-----------------------|-----------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | <u>3</u> | <u>3</u> |
| Current Assets | | | |
| Cash and cash equivalents | 4 | <u>377,538</u> | <u>197,349</u> |
| Total Assets | | <u>377,541</u> | <u>197,352</u> |
| Reserves and Liabilities | | | |
| Reserves | | | |
| Retained earnings | | <u>377,539</u> | <u>139,105</u> |
| Current Liabilities | | | |
| Trade and other payables | 5 | <u>2</u> | <u>58,247</u> |
| Total Reserves and Liabilities | | <u>377,541</u> | <u>197,352</u> |



FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

| Figures in R | 2018 | 2017 |
|-------------------------------------|-----------|-----------|
| Donations Received | 902,210 | 184,538 |
| Project Expenses | - | (155,213) |
| Gross surplus | 902,210 | 29,325 |
| Operating costs | (664,337) | (61,338) |
| Operating surplus/(deficit) | 237,873 | (32,013) |
| Finance income | 561 | - |
| Surplus/(deficit) for the year | 238,434 | (32,013) |
| Retained income at 1 March 2017 | 139,105 | 171,118 |
| surplus/(loss) for the year | 238,434 | (32,013) |
| Retained income at 28 February 2018 | 377,539 | 139,105 |



FRIENDS OF CHINTSA

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Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

| Figures in R | Note(s) | 2018 | 2017 |
|---|---------|----------------|-----------------|
| Cash flows from operating activities | | | |
| Surplus/(deficit) for the year | | 238,434 | (32,013) |
| <i>Adjustments for:</i> | | | |
| Investment income | | (561) | - |
| Operating cash flow before working capital changes | | <u>237,873</u> | <u>(32,013)</u> |
| <i>Working capital changes</i> | | | |
| (Decrease)/Increase in trade and other payables | | (58,245) | 37,320 |
| Cash generated by operating activities | | <u>179,628</u> | <u>5,307</u> |
| Investment income | | 561 | - |
| Net cash from operating activities | | <u>180,189</u> | <u>5,307</u> |
| Property, plant and equipment acquired | 3 | - | - |
| Increase in cash and cash equivalents | | 180,189 | 5,307 |
| Cash and cash equivalents at beginning of the year | | <u>197,349</u> | <u>192,042</u> |
| Cash and cash equivalents at end of the year | 4 | <u>377,538</u> | <u>197,349</u> |



FRIENDS OF CHINTSA

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Financial Statements for the year ended 28 February 2018

Accounting Policies

1. General information

FRIENDS OF CHINTSA is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.



FRIENDS OF CHINTSA

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Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

| Figures in R | 2018 | 2017 |
|--------------|------|------|
|--------------|------|------|

3. Property, plant and equipment

| | Cost | Accumulated depreciation | 2018 Carrying value | Cost | Accumulated depreciation | 2017 Carrying value |
|------------------------|-------|--------------------------|---------------------|-------|--------------------------|---------------------|
| <i>Owned assets</i> | | | | | | |
| Furniture and fittings | 6,242 | 6,239 | 3 | 6,242 | 6,239 | 3 |

The carrying amounts of property, plant and equipment can be reconciled as follows:

| | Carrying value at beginning of year | Additions | Disposals | Depreciation | 2018 Carrying value at end of year |
|------------------------|-------------------------------------|-----------|-----------|--------------|------------------------------------|
| <i>Owned assets</i> | | | | | |
| Furniture and fittings | 3 | - | - | - | 3 |

| | Carrying value at beginning of year | Additions | Disposals | Depreciation | 2017 Carrying value at end of year |
|------------------------|-------------------------------------|-----------|-----------|--------------|------------------------------------|
| <i>Owned assets</i> | | | | | |
| Furniture and fittings | 3 | - | - | - | 3 |

4. Cash and cash equivalents

Favourable cash balances

| | | |
|---------------|----------------|----------------|
| Term deposits | 21,744 | - |
| Cash on hand | 2,525 | 902 |
| Nedbank | 353,269 | 196,447 |
| | <u>377,538</u> | <u>197,349</u> |

Additional details

5. Trade and other payables

| | | |
|----------------------|----------|---------------|
| Accrued liabilities | - | 2,078 |
| Trade creditors | 2 | 1 |
| Value Added Taxation | - | 568 |
| Admin funds | - | 23,309 |
| Give 'n Gain | - | 32,291 |
| | <u>2</u> | <u>58,247</u> |

FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Financial Statements for the year ended 28 February 2018

Detailed Income Statement

| Figures in R | 2018 | 2017 |
|--|----------------|----------------|
| Gross Revenue | | |
| Donations received | - | 2,180 |
| Administration fees received | 27,545 | - |
| Project income - CECLC | 171,757 | - |
| Project income - HR | 77,500 | 182,358 |
| Project income - Ibanathi | 4,500 | - |
| Project income - Live Unstressed | 400,310 | - |
| Project Income - SOSO | 11,137 | - |
| Project income - Swim to Thrive | 51,281 | - |
| Project income - Uniform Project | 40,068 | - |
| Project income - Unstressed Surfschool | 18,607 | - |
| | <u>802,705</u> | <u>184,538</u> |
| Cost of Sales | | |
| Purchases | - | 155,213 |
| | <u>-</u> | <u>155,213</u> |
| Gross Profit | <u>802,705</u> | <u>29,325</u> |
| Other Income | | |
| Investment income | 561 | - |
| | <u>561</u> | <u>-</u> |
| | <u>803,266</u> | <u>29,325</u> |

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

FRIENDS OF CHINTSA

(Registration Number 088-760 NPO)

Financial Statements for the year ended 28 February 2018

Detailed Income Statement

| Figures in R | 2018 | 2017 |
|---|-----------------------|------------------------|
| Expenditure | | |
| Admin / management fees paid | 37,604 | - |
| Auditors' remuneration | - | 2,500 |
| Bank charges | - | 1,832 |
| Printing and stationery | - | 476 |
| Project expenses - CECLC | 147,815 | - |
| Project expenses - Countesthorpe | 17,482 | - |
| Project expenses - Discretionary | 7,842 | - |
| Project expenses - HR LU | 102,360 | - |
| Project expenses - Ibanathi | 3,899 | - |
| Project expenses - Live Unstressed | 163,528 | - |
| Project expenses - Runners | 42 | - |
| Project expenses - Soso | 10,253 | - |
| Project expenses - Swim to Thrive | 111,053 | - |
| Project expenses - Uniform Project | 30,622 | - |
| Project expenses - Unstressed Surf School | 31,837 | - |
| Salaries | - | 56,340 |
| Security | - | 190 |
| | <u>664,337</u> | <u>61,338</u> |
| Surplus/(deficit) for the year | <u>138,929</u> | <u>(32,013)</u> |



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Detailed Income Statement

Figures in R

2018

Gross Revenue

Project income - Countesthorpe

34,691

Administration funds previously not recorded

60,764

Project income - Runners

4,050

99,505

Surplus for the year

99,505



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