

Friends of Chintsa
(Registration number 088-760 NPO)
Annual Financial Statements
for the year ended 28 February 2015

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Friends of Chintsa

(Registration number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2015

General Information

| | |
|---|---|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Friends of Chintsa is engaged in community development and upliftment within Chintsa, Eastern Cape |
| Directors | M.D. Denison N.T. Pakamile C.E.F. Andersson |
| Auditor | Synergy Financial Services Chartered Accountants (S.A.) Registered Auditor |
| Level of assurance | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | The annual financial statements were independently compiled by: EDP Accounting |
| Issued | 25 May 2017 |



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

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Annual Financial Statements for the year ended 28 February 2015

Directors' Responsibilities and Approval

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 Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements 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 directors 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 29 February 2016 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 auditor's are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 7 to 12, which have been prepared on the going concern basis, were approved by the directors on 25 May 2017 and were signed on its behalf by:

Approval of financial statements



M.D. Denison

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 10, which comprise the statement of financial position as at 28 February 2015, 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 2015.

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 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reposting 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 11 does not form part of the annual financial statements and is 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

2 June 2016

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



REPORT OF THE COMPILER

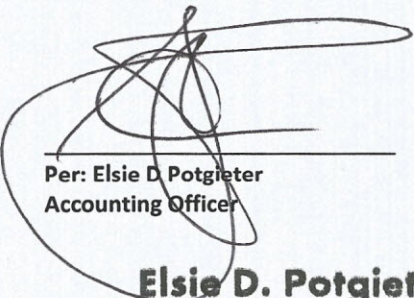
To the management of FRIENDS OF CHINTSA

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 2015, 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.


Per: Elsie D. Potgieter
Accounting Officer

Elsie D. Potgieter
General Tax Practitioner (SA)
Practising Accountant (SAIBA)
Commissioner of Oaths
73 Frere Road, Vincent
East London, 5247

1 June 2017

73 Frere Road
Vincent
East London
5247

Friends of Chintsa

(Registration number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2015

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Friends of Chintsa for the year ended 28 February 2015.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

2. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

3. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

4. Auditors

Synergy Financial Services continued in office as auditors for the company for 2015.

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Friends of Chintsa

(Registration number 088-760 NPO)

Annual Financial Statements for the year ended 28 February 2015

Statement of Financial Position as at 28 February 2015

| Figures in Rand | Note(s) | 2015 | 2014 |
|-------------------------------------|---------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Trade and other receivables | 2 | - | 2,806 |
| Cash and cash equivalents | 3 | 236,886 | 195,572 |
| | | 236,886 | 198,378 |
| Total Assets | | 236,886 | 198,378 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained income | | 234,808 | 192,635 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 4 | 2,078 | 5,743 |
| Total Equity and Liabilities | | 236,886 | 198,378 |



STB

Friends of Chintsa

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Annual Financial Statements for the year ended 28 February 2015

Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2015 | 2014 |
|--|---------|----------------|---------------|
| Revenue | | | |
| Revenue | | 201,171 | 243,968 |
| Cost of sales | | | |
| Purchases | | (96,396) | (176,370) |
| Gross surplus | | 104,775 | 67,598 |
| Operating expenses | | | |
| Accounting fees | | 5,632 | 5,632 |
| Advertising | | - | 344 |
| Bank charges | | 2,196 | 2,655 |
| Computer expenses | | 307 | - |
| Donations | | 7,500 | - |
| Employee costs | | 21,380 | 27,580 |
| Lease rentals on operating lease | | 5,044 | 3,947 |
| Loss on foreign exchange | | - | 351 |
| Postage | | 296 | - |
| Printing and stationery | | 147 | 545 |
| Repairs and maintenance | | 2,772 | 839 |
| Security | | 5,030 | 1,545 |
| Small assets | | 5,196 | - |
| Subscriptions | | 2,546 | 2,245 |
| Telephone and fax | | 877 | 1,974 |
| Training | | 3,679 | 3,500 |
| | | 62,602 | 51,157 |
| Surplus for the year | | 42,173 | 16,441 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 42,173 | 16,441 |



SFS


Friends of Chintsa

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Annual Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|--|-----------------|----------------|
| Balance at 01 March 2013 | 176,194 | 176,194 |
| Surplus for the year | 16,441 | 16,441 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 16,441 | 16,441 |
| Balance at 01 March 2014 | 192,635 | 192,635 |
| Surplus for the year | 42,173 | 42,173 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 42,173 | 42,173 |
| Balance at 28 February 2015 | 234,808 | 234,808 |



STJ

Friends of Chintsa

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Annual Financial Statements for the year ended 28 February 2015

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 General information

FRIENDS OF CHINTSA is a non-profit organisation.

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Annual Financial Statements for the year ended 28 February 2015

Notes to the Annual Financial Statements

| Figures in Rand | 2015 | 2014 |
|---------------------------------------|----------------|----------------|
| 2. Trade and other receivables | | |
| Trade receivables | - | 2,806 |
| 3. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 17,136 | 9,134 |
| Bank balances | 219,750 | 186,438 |
| | 236,886 | 195,572 |
| 4. Trade and other payables | | |
| Trade payables | 2,078 | 5,743 |
| 5. Cost of sales | | |
| Sale of goods | | |
| Cost of goods sold | 96,396 | 176,370 |

6. 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.

A handwritten signature, possibly 'W', is written inside a large, loopy oval. To the right of this oval, the initials 'SFS' are written in a simple, blocky font.