

**NDIFUNA UKWAZI TRUST**

(Registration number IT 540/2011)

Annual Financial Statements  
for the year ended 31 December 2014

**Audited Financial Statements**



**BRAUDE GORDON & CO**  
CHARTERED ACCOUNTANTS (SA)  
REGISTERED AUDITORS

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2014

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# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## GENERAL INFORMATION

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>TYPE OF TRUST AND NATURE OF BUSINESS</b>	To provide support to partner social justice organisations as they work to promote and safeguard human rights in South Africa and elsewhere
<b>TRUSTEES</b>	Doron Moss Isaacs (Trustee) Vuyiseka Dubula-Majola (Trustee) Abdurrazack Achmat (Director) Michelle Adler (Treasurer) Shuaib Manjra (Chairperson)
<b>REGISTERED OFFICE</b>	Office 302 47 on Strand Strand Street Cape Town 7945
<b>BANKERS</b>	Standard Bank
<b>AUDITOR</b>	Braude Gordon & Co Suite 201 200 on Main Main Road Claremont 7708
<b>TRUST REGISTRATION NUMBER</b>	IT 540/2011
<b>NON- PROFIT ORGANISATION REGISTRATION NUMBER</b>	NPO 094-737

# BRAUDE GORDON & CO

CHARTERED ACCOUNTANTS (SA)  
REGISTERED AUDITORS



G.A. GORDON, C.A. (S.A.)  
L. SHER, B.COM., C.A. (S.A.)  
D.I. SHONE, B.COM, C.A. (S.A.)  
N.P. GORDON, B. COM, C.A. (S.A.)

OUR REF.

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YOUR REF.

SUITE 201, 200 ON MAIN, MAIN ROAD  
CLAREMONT 7708

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## INDEPENDENT AUDITORS' REPORT

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### To the Trustees of the Ndifuna Ukwazi Trust

We have audited the annual financial statements of Ndifuna Ukwazi Trust set out on pages 7 to 16 which comprise the statement of financial position at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 2 and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### 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 of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the annual 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 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 financial statements.

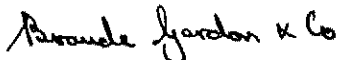
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Qualification**

In common with similar organisations, it is not feasible for the Trustees to institute accounting controls over the donations received prior to the initial entry in the accounting records. Accordingly, it was not practical for us to extend our examination beyond the receipts actually recorded.

**Qualified audit opinion**

In our opinion, except for the matter described in the paragraph above, the annual financial statements fairly present, in all material respects, the financial position of the trust as at 31 December 2014, and its financial performance and cash flows for the year ended in accordance with the basis of accounting described in note 2.



**Braude Gordon & Co  
Registered Auditors**

**27 November 2015**

**Per: L. Sher CA (SA)  
Registered Auditor  
Partner**

**Suite 201  
200 on Main  
Main Road  
Claremont  
7708**

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2014

## TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustees are required 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations of the trust, and explain the transactions and financial position of the business of the trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the trust and supported by reasonable and prudent judgements and estimates.


The trustees acknowledge that they are ultimately responsible for the system of internal financial controls established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trusts business is conducted in a manner that in all reasonable circumstances is above reproach.

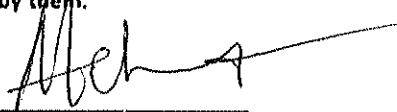
The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour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

The trustees are of the opinion, based on the information and explanations given by management and the external auditors, 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 the trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the trust.

The financial statements have been audited by the independent auditing firm, Braude Gordon & Co, who have been given unrestricted access to all financial records and related data. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' qualified audit report is presented on page 3 to 4.

The annual financial statements have been prepared on the going concern basis and is not subject to any material changes to the present financial status. The annual financial statements as set out on pages 7 to 15 were approved by the trustees on 27 November 2015 and were signed by them.

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2014

## **TRUSTEE'S REPORT**

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The trustees present their annual report for the year ended 31 December 2014.

### **1. Objective of the trust**

The primary object of the trust is to provide support to partner social justice organisations as they work to promote and safeguard human rights in south africa and elsewhere.

### **2. Founders of the trust**

The founder of the trust is Abdurruzach Achmat.

### **3. Financial results**

The financial statements reflect the financial position of the trust at 31 December 2014 and the result of its activities for the year then ended.

### **4. The Trustees from the annual trustee meeting to the date of this report were the following:**

Doron Moss Isaacs (Trustee)  
Vuyiseka Dubula-Majoja (Trustee)  
Abdurrazack Achmat (Director)  
Gavin Clive Silber (Trustee) (resigned 4/11/2014)  
Nomzamo Mji (Trustee) (resigned 4/11/2014)  
Michelle Adler (Treasurer)  
Shuaib Manjra (Chairperson)

### **5. The business and postal address of the trust is:**

Office 302  
47 on Strand  
Strand Street  
Cape Town  
7945

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements as at 31 December 2014

## Statement of Financial Position

Figures in Rand	Note(s)	2014	2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	130,401	183,047
		<u>130,401</u>	<u>183,047</u>
<b>Current Assets</b>			
Loans receivable		-	7,000
Accounts receivable	4	35,750	35,750
Cash and cash equivalents	5	3,179,675	1,919,817
		<u>3,215,425</u>	<u>1,962,567</u>
<b>Total Assets</b>		<u>3,345,826</u>	<u>2,145,614</u>
<b>Trust Funds and Liabilities</b>			
<b>Trust Fund</b>			
Retained earnings/ (accumulated loss)		50,406	(229,177)
Funds under Administration	6	171,516	-
		<u>221,922</u>	<u>(229,177)</u>
<b>Current Liabilities</b>			
Accounts payable	7	147,738	202,636
Income received in advance	8	2,976,166	2,172,155
		<u>3,123,904</u>	<u>2,374,791</u>
<b>Total Funds and Liabilities</b>		<u>3,345,826</u>	<u>2,145,614</u>



# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

<b>Statement of Comprehensive Income</b>	<b>10 months</b>	
	<b>2014</b>	<b>2013</b>
<b>Figures in Rand</b>		
<b>Income</b>		
Donation income	5,857,236	2,323,872
<b>Other income</b>		
Interest received	91,386	17,711
Recovery of travel expenses	996	4,328
	<u>92,382</u>	<u>22,039</u>
<b>Total income</b>	<u><b>5,949,618</b></u>	<u><b>2,345,911</b></u>
<b>Less: Operational expenditure as per schedule</b>	913,040	3,028,924
<b>Less: Direct project costs as per schedule</b>	4,756,995	178,455
<b>Net surplus / (deficit) for the year</b>	<u><b>279,583</b></u>	<u><b>(861,468)</b></u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

Statement of Comprehensive Income	10 months	
	2014	2013
Figures In Rand		
<b>Operational expenditure</b>		
Accounting and audit fees	47,175	55,484
Bank charges	17,228	10,566
Books and magazines	4,525	-
Campaign	5,703	15,000
Catering	27,172	26,900
Depreciation	56,236	61,942
Donations	-	300
Events	2,564	-
Furniture and equipment	9,812	-
Insurance	16,821	2,448
Interest paid	-	4,659
Internet costs	10,208	8,269
Legal and professional fees	-	19,934
Loss of funds	897	-
Loss on sale of property, plant and equipment	10,688	8,805
Postage	1,414	98
Printers	-	74,204
Professional development	14,352	720
Rent	325,955	251,384
Repairs and maintenance	1,170	865
Salaries	261,676	2,306,155
Seminars	28,641	78,805
Staff expenses	-	4,261
Stationery	24,060	20,464
Subscriptions	4,276	8,296
Telephone	28,079	29,264
Travel and accomodation	7,388	40,101
Write off of loan	7,000	-
	<u>913,040</u>	<u>3,028,924</u>
<b>Direct costs</b>		
Inkululeko in Mind	26,735	-
Lwandle	29,947	-
Research and Campaigns	2,985,686	14,494
Advertising	494,325	-
Fellowship	1,220,302	163,961
	<u>4,756,995</u>	<u>178,455</u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Statement of Changes in Trust Funds

Figures in	My Vote Counts Reserve	Retained earnings	Total
<b>Original balance at 1 March 2013</b>	-	713,437	713,437
Restatement due to prior period error		(81,146)	(81,146)
Restated balance at 1 March 2013		632,291	632,291
Total comprehensive income/(loss) for the period		(861,468)	(861,468)
<b>Balance at 31 December 2013</b>	-	<b>(229,177)</b>	<b>(229,177)</b>
<b>Balance at 1 January 2014</b>	-	(229,177)	(229,177)
Total comprehensive income/(loss) for the period		279,583	279,583
Net funds held on behalf of My Vote Counts	171,516		171,516
<b>Balance at 31 December 2014</b>	<b>171,516</b>	<b>50,406</b>	<b>221,922</b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

<b>Statement of Cash Flows</b>		<b>10 months</b>	
Figures in	Note(s)	2014	2013
<b>Cash flows from operating activities</b>			
Profit/ (loss) for the year		279,583	(861,468)
<i>Adjustments for:</i>			
Finance costs		-	4,659
Depreciation of property, plant and equipment		56,236	61,942
Interest received		(91,386)	(17,711)
Loss on disposal of property, plant and equipment		10,688	8,805
Decrease / (Increase) in loans receivable		7,000	(7,000)
Increase in accounts payable and income received in advance		749,113	2,151,761
<b>Cash generated by operating activities</b>		<b>1,011,234</b>	<b>1,340,988</b>
Interest received		91,386	17,711
Interest paid		-	(4,659)
<b>Net cash from operating activities</b>		<b>1,102,620</b>	<b>1,354,040</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(14,278)	(66,208)
Funds held on behalf of other organisations		171,516	-
<b>Net cash generated by / (utilised in) investing activities</b>		<b>157,238</b>	<b>(66,208)</b>
<b>Cash flow from financing activities</b>			
Increase in cash and cash equivalents		1,259,858	1,287,832
Cash and cash equivalents at beginning of the period		1,919,817	631,985
<b>Cash and cash equivalents at end of the period</b>	<b>5</b>	<b>3,179,675</b>	<b>1,919,817</b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Accounting Policies

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### 1. General information

Ndifuna Ukwazi Trust is a trust founded in South Africa. It's principal activities are: To provide support to partner social justice organisations as they work to promote and safeguard human rights in South Africa and elsewhere.

### 2. Summary of significant accounting policies

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

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

#### 2.1 Revenue recognition

Revenue comprises donations received and interest received.

Revenue from donations received is recognised upon receipt. Where there are contingent terms to the donation the income is deferred until the contingent terms have been met.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the trust.

#### 2.2 Property, plant and equipment

Items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Computer equipment	33.33%
Computer software	33.33%
Office equipment	15.00%
Furniture and fittings	15.00%

Expenditure on additions and improvements to property, plant and equipment including the cost of related interest is capitalised as the expenditure is incurred.

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in Rand

2014

2013

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2014 Carrying value	Cost	Accumulated depreciation	2013 Carrying value
<i>Owned assets</i>						
Furniture and fittings	165,383	59,818	105,565	151,205	35,259	115,946
Office equipment	27,133	11,499	15,634	27,034	7,441	19,593
Computer equipment	75,588	68,060	7,528	81,588	50,802	30,786
Computer software	19,050	17,376	1,674	43,655	26,933	16,722
	<u>287,154</u>	<u>156,753</u>	<u>130,401</u>	<u>303,482</u>	<u>120,435</u>	<u>183,047</u>

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

	Carrying value at beginning of period	Additions	Disposals	Depreciation	2014 Carrying value at end of period
<i>Owned assets</i>					
Furniture and fittings	115,946	14,178	-	(24,559)	105,565
Office equipment	19,593	100	-	(4,059)	15,634
Computer equipment	30,786	-	(1,425)	(21,833)	7,528
Computer software	16,722	-	(9,263)	(5,785)	1,674
	<u>183,047</u>	<u>14,278</u>	<u>(10,688)</u>	<u>(56,236)</u>	<u>130,401</u>

### 4. Accounts receivable

Rental deposit	<u>35,750</u>	<u>35,750</u>
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### 5. Cash and cash equivalents

#### Favourable cash balances

Money Market account	2,946,281	33,507
Cash on hand	141	296
Current account	61,737	1,886,014
Funds held under administration	<u>171,516</u>	<u>-</u>
	<u>3,179,675</u>	<u>1,919,817</u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in Rand	2014	2013
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### 6. Funds under Administration

#### My Vote Counts

Balance at beginning of period	-	-
Funds received on behalf of My Vote Counts	502,042	-
Funds expensed on behalf of My Vote Counts	(330,526)	-
Balance of funds held under administration at year end	<u>171,516</u>	<u>-</u>

### 7. Accounts payable

Accruals and sundry creditors	<u>147,738</u>	<u>202,636</u>
	<u>147,738</u>	<u>202,636</u>

### 8. Income received in advance

Income received in advance from Donations	<u>2,976,166</u>	<u>2,172,155</u>
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### 9. Income tax expense

No provision has been made for taxation as the trust is an exempt organisation in terms of the Income Tax Act.

### 10. Comparative figures

In the prior year the trust changed its financial year end from February to December. Accordingly the comparative figures relate to a period of 10 months.

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>11. Donations received</b>		
International Budget Partnership	296,700	-
Open Society Foundation	529,523	288,371
Other	95,037	49,382
Raith Foundation	1,427,880	1,608,224
The Ford Foundation	1,716,167	243,760
The Heinrich Boell Foundation	-	45,000
The Hivos Foundation	692,790	5,000
The Milenium Trust	552,000	62,926
The South African Development Fund	15,000	-
The Wallace Foundation	425,711	21,209
Tides	106,428	-
	<u>5,857,236</u>	<u>2,323,872</u>

## 12. Prior period error

A prior period error has been identified in that donation and grant income received which is to be spent in future periods was incorrectly recognised as revenue upon receipt instead of being disclosed as a current liability, "income received in advance". In the current year we have corrected this error by restating the comparative figures where necessary. The effect of the correction of the error is disclosed as follows:

Effect of the restatement of the error in previous reporting periods:-

Income received in advance understated as at 28 February 2013:-	(81,146)
Donation income overstated for the year ended 28 February 2013:-	81,146
Represented by decrease in retained earnings as at 28 February 2013:	81,146
Being adjustment to retained income as at 1 March 2013	<u>81,146</u>

Effect on the statement of financial position for the current year:-

Increase in income received in advance	-	2,172,155
Represented by a decrease in retained earnings	-	<u>2,172,155</u>

Effect on the statement of comprehensive income for the current year:-

Decrease in donation income	-	(2,172,155)
Resulting in decrease in net surplus for the year	-	<u>(2,172,155)</u>



# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in Rand	2014	2013
<b>13. Trust surplus / (deficit) for the year</b>		
At the end of the financial period the Trust had the following:-		
Cash and cash equivalents as presented in the statement of financial position	3,179,675	1,919,817
Less: Funds held under administration	(171,516)	-
Cash and cash equivalents available for utilisation by the Trust	<u>3,008,159</u>	<u>1,919,817</u>
Less: Income received in advance	(2,976,166)	(2,172,155)
Add: Prior period error adjustment	-	81,146
Surplus / (deficit) for the period	<u>31,993</u>	<u>(171,192)</u>