

NDIFUNA UKWAZI TRUST

(Registration number IT 540/2011)
Annual Financial Statements
for the year ended 31 December 2015

Audited Financial Statements



AUDIT • TAX • ADVISORY

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2015

INDEX

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

General Information	2
Independent Auditor's Report	3 - 4
Trustees' Responsibilities and Approval	5
Report of the Trustees	6
Statement of Financial Position	7
Statement of Comprehensive Income	8 - 10
Statement of Changes in Trust Funds	11
Statement of Cash Flows	12
Accounting Policies	13 - 14
Notes to the Annual Financial Statements	15 - 19

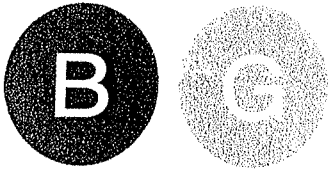
NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
TYPE OF TRUST AND NATURE OF BUSINESS	To provide support to partner social justice organisations as they work to promote and safeguard human rights in South Africa and elsewhere
TRUSTEES	Doron Moss Isaacs (Trustee) Abdurrazack Achmat (Director) Michelle Adler (Treasurer) Shuaib Manjra (Chairperson) Phumeza Mlungwana (Trustee) (Appointed 23/02/2016) Vuyiseka Dubula - Majola (Trustee) (Resigned 23/02/2016)
REGISTERED OFFICE	Office 302 47 on Strand Strand Street Cape Town 7945
BANKERS	Standard Bank
AUDITOR	BGC Suite 201 200 on Main Main Road Claremont 7708
TRUST REGISTRATION NUMBER	IT 540/2011
NON- PROFIT ORGANISATION REGISTRATION NUMBER	NPO 094-737



AUDIT • TAX • ADVISORY

P.O. BOX 23502, CLAREMONT 7735
SUITE 201, 200 ON MAIN, MAIN ROAD
CLAREMONT 7708

TEL : +27 21 674 1115
FAX : +27 21 674 2772

EMAIL : GENERAL@BGC.CO.ZA
WWW.BGC.CO.ZA

INDEPENDENT AUDITORS' REPORT

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 19 which comprise the statement of financial position at 31 December 2015, 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.

We have audited the annual financial statements of Ndifuna Ukwazi Trust set out on pages 7 to 19 which comprise the statement of financial position at 31 December 2015, 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 2015, and its financial performance and cash flows for the year ended in accordance with the basis of accounting described in note 2.



BGC

Registered Auditors

24 August 2016

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 2015

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.

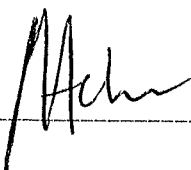
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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 trustees 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 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, BGC, 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 19 were approved by the trustees on 24 August 2016 and were signed on their behalf by:


Trustee


Trustee

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2015

REPORT OF THE TRUSTEES

The trustees present their annual report for the year ended 31 December 2015.

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 2015 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)

Abdurrazack Achmat (Director)

Michelle Adler (Treasurer)

Shuaib Manjra (Chairperson)

Phumeza Mlungwana (Trustee)

(Appointed 23/02/2016)

Vuyiseka Dubula - Majola (Trustee)

(Resigned 23/02/2016)

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 2015

Statement of Financial Position

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	3	102,394	130,401
		<u>102,394</u>	<u>130,401</u>
Current Assets			
Accounts receivable	4	46,750	35,750
Cash and cash equivalents	5	2,315,585	3,179,675
		<u>2,362,335</u>	<u>3,215,425</u>
Total Assets		<u>2,464,729</u>	<u>3,345,826</u>
Trust Funds and Liabilities			
Trust Fund			
Accumulated funds		553,130	78,931
Funds under Administration	6	166,968	171,516
		<u>720,098</u>	<u>250,447</u>
Current Liabilities			
Accounts payable	7	67,348	119,213
Income received in advance	8	1,677,283	2,976,166
		<u>1,744,631</u>	<u>3,095,379</u>
Total Funds and Liabilities		<u>2,464,729</u>	<u>3,345,826</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Income			
Donation income	11	5,870,770	5,857,236
Other income			
Donation income - Allocated to budget surplus	11	289,315	-
Interest received		154,986	91,386
Other income - Donations in kind		12,391	996
		<u>456,692</u>	<u>92,382</u>
Total income		<u>6,327,462</u>	<u>5,949,618</u>
Less: Operational expenditure as per schedule		1,013,823	884,514
Less: Direct project costs as per schedule		4,839,440	4,756,996
Net surplus for the year		<u>474,199</u>	<u>308,108</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Operational expenditure			
Accounting and audit fees		56,025	47,175
Bank charges		17,645	17,228
Books and magazines		-	4,525
Campaign		-	5,703
Catering		20,707	27,172
Depreciation		40,395	56,236
Events		-	2,564
Events (strategy planning, trustees)		48,461	-
Furniture and equipment		45,080	9,812
ICT		37,986	-
Insurance		20,735	16,821
Internet costs		9,992	10,208
Loss of funds		-	897
Loss on sale of property, plant and equipment		-	10,688
Medical and First Aid		165	-
Postage		146	1,414
Printing and stationery		23,719	24,060
Professional development		-	14,352
Rent		349,479	297,429
Repairs and maintenance		-	1,170
Salaries		293,143	261,676
Seminars		-	28,641
Subscriptions		-	4,276
Telephone		30,463	28,079
Travel and catering		19,682	7,388
Write off of loan		-	7,000
		<u>1,013,823</u>	<u>884,514</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Direct costs			
Depreciation		20,857	77,221
Open and Participatory Local Government		1,409,953	458,980
Inkululeko in Mind		-	26,735
Lwandle		-	29,947
Safety, Policing and Justice		1,732,075	57,103
Research and Campaigns		-	2,392,383
Urban Land Justice		366,261	-
NU Law Clinic		381,049	-
Fellowship		909,969	1,220,302
Daily Maverick		-	494,325
Library		19,276	-
		<u>4,839,440</u>	<u>4,756,996</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Statement of Changes in Trust Funds

Figures in	My Vote Counts Reserve	Open Shuhada Street Reserve	Inkululeko in Mind Reserve	Retained earnings	Total
Balance at 1 January 2015	171,516	-	-	(229,177)	(57,661)
Restated balance at 1 March 2013				(229,177)	(229,177)
Total comprehensive income for the period				308,108	308,108
Balance at 31 December 2014	171,516	-	-	78,931	250,447
Balance at 1 January 2015	171,516	-	-	78,931	250,447
Total comprehensive loss for the period				474,199	474,199
Net funds disbursed on behalf of My Vote Counts	(155,942)				(155,942)
Net funds received and held on behalf of Open Shuhada Street		136,382			136,382
Net funds received and held on behalf of Inkululeko in Mind			15,012		15,012
Balance at 31 December 2015	15,574	136,382	15,012	553,130	720,098

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Statement of Cash Flows

Figures in	Note(s)	2015	2014
Cash flows from operating activities			
Profit for the year		474,199	308,108
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		61,252	133,457
Interest received		(154,986)	(91,386)
Profit on disposal of property, plant and equipment		-	10,688
Decrease / (Increase) in loans receivable		-	7,000
Increase in accounts receivable		(11,000)	-
Decrease in accounts payable		(1,350,748)	720,589
Cash (utilised in)/ generated by operating activities		(981,283)	1,088,456
Interest received		154,986	91,386
Net cash from operating activities		(826,297)	1,179,842
Cash flows from investing activities			
Property, plant and equipment acquired		(33,245)	(91,499)
Net movement in funds held on behalf of other organisations		(4,548)	171,516
Net cash (utilised in) / generated by investing activities		(37,793)	80,017
Cash flow from financing activities			
(Decrease) / Increase in cash and cash equivalents		(864,090)	1,259,859
Cash and cash equivalents at beginning of the period		3,179,675	1,919,817
Cash and cash equivalents at end of the period	5	2,315,585	3,179,675

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Accounting Policies

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.

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Accounting Policies

2.2 Property, plant and equipment

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

Not all capital acquisitions are capitalised to the statement of financial position in the period of acquisition. If the Trust has acquired capital assets which are funded by specific donor grant funding then they are expensed in the period of purchase so as to account for the project cost correctly. If the asset is purchased with other funds, or it is received by way of gratuitous donation, then the asset is recognised at cost as property, plant and equipment.

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.

Assets received by way of gratuitous donation are measured at the best estimate of fair value being the Trustees estimate of what a willing buyer and willing seller would agree upon in an arms length transaction.

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:

ICT equipment	100.00%
Computer equipment	33.33%
Computer software	33.33%
Office equipment	15% -100%
Furniture and fittings	15% -100%

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

2.3 Trade payables

Payables are recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation, and the amount at which the settlement will take place can be measured reliably.

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

3. Property, plant and equipment

	Cost	Accumulated depreciation	2015 Carrying value	Cost	Accumulated depreciation	2014 Carrying value
<i>Owned assets</i>						
ICT equipment	98,078	98,078	-	77,221	77,221	-
Furniture and fittings	165,383	84,626	80,757	165,383	59,818	105,565
Office equipment	37,023	17,053	19,970	27,133	11,499	15,634
Computer equipment	78,088	76,421	1,667	75,588	68,060	7,528
Computer software	19,050	19,050	-	19,050	17,376	1,674
	397,622	295,228	102,394	364,375	233,974	130,401

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

	Carrying value at beginning of period	Additions	Disposals	Depreciation	2015 Carrying value at end of period
<i>Owned assets</i>					
ICT equipment	-	20,857	-	(20,857)	-
Furniture and fittings	105,565	(1)	-	(24,807)	80,757
Office equipment	15,634	9,889	-	(5,553)	19,970
Computer equipment	7,528	2,500	-	(8,361)	1,667
Computer software	1,674	-	-	(1,674)	-
	130,401	33,245	-	(61,252)	102,394

	Carrying value at beginning of period	Additions	Disposals	Depreciation	2014 Carrying value at end of period
<i>Owned assets</i>					
ICT equipment	-	77,221	-	(77,221)	-
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
	183,047	91,499	(10,688)	(133,457)	130,401

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
4. Accounts receivable		
Sundry debtors	11,000	-
Rental deposit	35,750	35,750
	<u>46,750</u>	<u>35,750</u>
5. Cash and cash equivalents		
Favourable cash balances		
Money Market account	1,791,615	2,946,231
Funds in reserve	319,223	50
Cash on hand	2,811	141
Current account	34,967	61,737
Funds held under administration	166,969	171,516
	<u>2,315,585</u>	<u>3,179,675</u>
6. Funds under Administration		
My Vote Counts		
Balance at beginning of period	171,516	-
Funds received on behalf of My Vote Counts	1,484	502,042
Funds expensed on behalf of My Vote Counts	(157,426)	(330,526)
Balance of funds held under administration at year end	<u>15,574</u>	<u>171,516</u>
Inkululeko in Mind		
Balance at beginning of period	-	-
Transfer from Ndifuna Ukwazi at the beginning of the year	10,000	-
Funds received on behalf of Inkululeko in Mind	65,857	-
Funds expensed on behalf of Inkululeko in Mind	(60,845)	-
Balance of funds held under administration at year end	<u>15,012</u>	<u>-</u>
Open Shuhada Street		
Balance at beginning of period	-	-
Funds received on behalf of Open Shuhada Street	232,591	-
Funds expensed on behalf of Open Shuhada Street	(96,209)	-
Balance of funds held under administration at year end	<u>136,382</u>	<u>-</u>
	<u>166,968</u>	<u>171,516</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
7. Accounts payable		
Accruals and sundry creditors	67,348	119,213
	<u>67,348</u>	<u>119,213</u>
8. Income received in advance		
Income received in advance from Donations	1,677,283	2,976,166
	<u>1,677,283</u>	<u>2,976,166</u>
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. Donations received for the year		
International Budget Partnership	532,752	296,700
Open Society Foundation	534,289	529,523
Open Society Foundation	68,000	-
Other	-	95,037
Raith Foundation - 2015	1,300,000	-
Raith Foundation - 2014	290,845	1,427,880
The Ford Foundation	2,001,226	1,716,167
The Hivos Foundation	513,671	692,790
The Millennium Trust	500,000	552,000
The Millennium Trust - Social Justice Initiative	350,000	-
The South African Development Fund	69,302	15,000
The Wallace Foundation	-	425,711
Tides	-	106,428
	<u>6,160,085</u>	<u>5,857,236</u>
11. Donation in come - Donations towards budget and reserves		
Donations towards current year budget	5,870,770	5,857,236
Donations towards reserves	289,315	-
	<u>6,160,085</u>	<u>5,857,236</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

12. Prior period error

A prior period error has been identified in that an accrual for rent paid was incorrectly raised as at 31 December 2014. 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:-

Trade and other payables overstated as at 31 December 2014:-	28,525
Rental expense understated for the year ended 31 December 2014:-	(28,525)
Represented by an increase in retained earnings as at 31 December 2014:	28,525
Being adjustment to retained income as at 1 January 2015	<u>28,525</u>

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

Decrease in trade and other payables	-	(28,525)
Represented by an increase in retained earnings	-	<u>28,525</u>

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

Increase in operating expenditure	-	28,525
Resulting in decrease in net surplus for the year	-	<u>(28,525)</u>

NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
13. Trust surplus / (deficit) for the year		
At the end of the financial period the Trust had the following:-		
Cash and cash equivalents as presented in the statement of financial position	2,315,585	3,179,675
Less: Funds held under administration	(166,968)	(171,516)
Cash and cash equivalents available for utilisation by the Trust	<u>2,148,617</u>	<u>3,008,159</u>
Less: Income received in advance	(1,677,283)	(2,976,166)
Surplus for the period	<u>471,334</u>	<u>31,993</u>