

# **NDIFUNA UKWAZI TRUST**

**(Registration number IT 540/2011)**

**Annual Financial Statements**

**for the year ended 31 December 2019**

**Audited Financial Statements**



**AUDIT • TAX • ADVISORY**

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the year ended 31 December 2019

## INDEX

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

General Information	1
Independent Auditor's Report	2 - 3
Trustees' Responsibilities and Approval	4
Report of the Trustees	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Trust Funds	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 15
Detailed Statement of Comprehensive Income	16 - 17

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# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## GENERAL INFORMATION

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### COUNTRY OF INCORPORATION AND DOMICILE

South Africa

### TYPE OF TRUST AND NATURE OF BUSINESS

The Trust is a non-profit organisation of a public character, established to promote the full appreciation and realisation of social justice, equality and human rights of all people living in South Africa and beyond

### TRUSTEES

Shuaib Manjra (Chairperson)  
Phumeza Mlungwana (Trustee)  
Michael Evans (Trustee)  
Mercy Brown-Luthongo (Trustee) (Appointed 16/5/2019)  
Ruth Hall (Trustee) (Appointed 16/5/2019)  
Abdurrazack Achmat (Trustee) (Resigned 30/09/2019)  
Michelle Adler (Trustee) (Resigned 31/12/2019)

### REGISTERED OFFICE

18 Roeland Street  
Cape Town  
7100

### BANKERS

Standard Bank

### AUDITOR

BGC  
Registered Auditors and Chartered  
Accountants (SA)  
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



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## Independent Auditor's Report

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To the Trustees of Ndifuna Ukwazi Trust

### Qualified Opinion

We have audited the financial statements of Ndifuna Ukwazi Trust set out on pages 6 to 15, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Ndifuna Ukwazi Trust for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the basis of accounting as described in note 2 to the financial statements.

### Basis for Qualified Opinion

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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Emphasis of Matter – Subsequent Event

We draw attention to Note 10 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on Ndifuna Ukwazi Trust's future prospects, performance and cashflows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

### Other Information

The trustees are responsible for the other information. The other information comprises the Trustees' Report and the detailed statement of comprehensive income on pages 16 - 17.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

#### PARTNERS :

GA GORDON CA (SA), L SHER BCOM CA (SA), DI SHONE BCOM CA (SA), NP GORDON BCOM CA (SA),  
SR WALKER BCOM CA (SA), P SAREMBOCK B.BUS SCI MCOM (TAX) CA (SA)

IRBA NO. 913480E | SAICA NO. 03039893

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Trustees for the Financial Statements**

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

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BGC**  
**Registered Auditors & Chartered Accountants**

**22 December 2020**

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

**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 2019

## Trustees' Responsibilities and Approval

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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 in the presentation of 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 trust's 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 2 to 3.

The annual financial statements have been prepared on the going concern basis and are not subject to any material changes to the present financial status. The annual financial statements as set out on pages 6 to 15 were approved by the trustees on 22 December 2020 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 2019

## Report of the Trustees

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The trustees present their annual report for the year ended 31 December 2019.

### 1. Objective of the trust

The primary object of the trust is the Trust is a non-profit organisation of a public character, established to promote the full appreciation and realisation of social justice, equality and human rights of all people living in South Africa and beyond.

### 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 2019 and the result of its activities for the year then ended.

### 4. Subsequent event

The trustees have noted that the novel coronavirus pandemic (COVID-19) has not had any impact on the financial position and trading results as presented for the year ended 31 December 2019. They have also are of the opinion that this subsequent event will not have a material impact on the organisation's financial affairs in the 2021 financial period.

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

Shuaib Manjra (Chairperson)

Phumeza Mlungwana (Trustee)

Michael Evans (Trustee)

Mercy Brown-Luthongo (Trustee) (Appointed 16/5/2019)

Ruth Hall (Trustee) (Appointed 16/5/2019)

Abdurrazack Achmat (Trustee) (Resigned 30/09/2019)

Michelle Adler (Trustee) (Resigned 31/12/2019)

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

18 Roeland Street

Cape Town

7100

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements as at 31 December 2019

## Statement of Financial Position

Figures in Rand	Note(s)	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	232,042	198,900
		<b>232,042</b>	<b>198,900</b>
<b>Current Assets</b>			
Accounts receivable	4	75,225	75,225
Cash and cash equivalents	5	3,072,463	2,373,589
		<b>3,147,688</b>	<b>2,448,814</b>
<b>Total Assets</b>		<b>3,379,730</b>	<b>2,647,714</b>
<b>Trust Funds and Liabilities</b>			
<b>Trust Fund</b>			
Accumulated funds		516,766	718,698
Litigation Reserve	12	71,581	80,809
Funds under Administration	6	354,535	140,364
		<b>942,882</b>	<b>939,871</b>
<b>Current Liabilities</b>			
Trade and other payables	7	348,658	134,517
Income received in advance	8	2,088,190	1,573,326
		<b>2,436,848</b>	<b>1,707,843</b>
<b>Total Funds and Liabilities</b>		<b>3,379,730</b>	<b>2,647,714</b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
<b>Donation income</b>	11	7,140,047	6,353,284
<b>Other income</b>		139,403	186,743
<b>Total income</b>		<b>7,279,450</b>	<b>6,540,027</b>
<b>Less: Operational expenditure</b>		2,244,758	1,894,661
<b>Less: Direct project costs</b>		5,054,857	4,546,207
<b>Net (deficit) / surplus for the year</b>		<b>(20,165)</b>	<b>99,159</b>
Extraordinary item - accrual for advocates fees in litigation matter		190,992	-
<b>Net (deficit) / surplus for the year after extraordinary item</b>		<b>(211,157)</b>	<b>99,159</b>
Allocated to Litigation Reserve		9,228	(46,827)
<b>Net (deficit) / surplus to retained income</b>		<b>(201,929)</b>	<b>52,332</b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Statement of Changes in Trust Funds

Figures in R	Litigation Reserve	#UniteBehind Campaign	Reclaim the City	Litigation SJC	Tramway Reserve	Jared Bertha Fellowship Reserve	Retained earnings	Total
<b>Balance at 1 January 2018</b>	33,982	157,732	130,090	198,670	3,217	-	666,366	1,190,057
Total comprehensive income for the period							99,159	99,159
Net funds received / (disbursed) on behalf of Open Shuhada Street					62			62
Net funds received / (disbursed) on behalf of #UniteBehind Campaign		(157,732)						(157,732)
Net funds received / (disbursed) on behalf of Reclaim the City			(98,565)					(98,565)
Net funds received / (disbursed) on behalf of Litigation SJC				(93,110)				(93,110)
Transfer of portion of surplus to reserve	46,827						(46,827)	-
<b>Balance at 31 December 2018</b>	<b>80,809</b>	<b>-</b>	<b>31,525</b>	<b>105,560</b>	<b>3,279</b>	<b>-</b>	<b>718,698</b>	<b>939,871</b>
<b>Balance at 1 January 2019</b>	80,809	-	31,525	105,560	3,279	-	718,698	939,871
Total comprehensive loss for the period							(211,157)	(211,157)
Net funds received / (disbursed) on behalf of Open Shuhada Street					140,402			140,402
Net funds received / (disbursed) on behalf of Reclaim the City			41,439					41,439
Net funds received / (disbursed) on behalf of Litigation SJC				6,552				6,552
Net funds received / (disbursed) on behalf of Jared Bertha Fellowship reserve						25,778		
Net reduction in the reserve during the year	(9,228)						9,228	-
<b>Balance at 31 December 2019</b>	<b>71,581</b>	<b>-</b>	<b>72,964</b>	<b>112,112</b>	<b>143,681</b>	<b>25,778</b>	<b>516,769</b>	<b>942,885</b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Statement of Cash Flows

Figures in R	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
(Deficit) / income for the year		(211,157)	99,159
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		80,493	104,932
Interest received		(130,627)	(88,709)
Increase in accounts payable and income received in advance		729,005	217,724
<b>Cash generated by operating activities</b>		<u>467,714</u>	<u>333,106</u>
Interest received		130,627	88,709
<b>Net cash from operating activities</b>		<u><b>598,341</b></u>	<u><b>421,815</b></u>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired		(113,635)	(46,440)
Net movement in funds held on behalf of other organisations		214,168	(349,344)
<b>Net cash generated by / (utilised in) investing activities</b>		<u><b>100,533</b></u>	<u><b>(395,784)</b></u>
<b>Cash flow from financing activities</b>			
Increase in cash and cash equivalents		698,874	26,031
Cash and cash equivalents at beginning of the period		2,373,589	2,347,558
<b>Cash and cash equivalents at end of the period</b>	5	<u><b>3,072,463</b></u>	<u><b>2,373,589</b></u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Accounting Policies

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### 1. General information

Ndifuna Ukwazi Trust is a trust founded in South Africa. Its principal activities are: The Trust is a non-profit organisation of a public character, established to promote the full appreciation and realisation of social justice, equality and human rights of all people living in South Africa and beyond.

### 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 grants and donations received are recognised upon receipt. Where there are contingent terms to the grant income 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.

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:

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Accounting Policies

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### *Summary of significant accounting policies continued...*

ICT equipment	1 year
Computer equipment	3 years
Computer software	3 years
Office equipment	1 - 6 years
Furniture and fittings	1 - 6 years

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

### **2.4 Funds under administration**

Ndifuna Ukwazi has been approached to be a "host organisation" for funds earmarked for various non-profit projects who do not have the capacity to administer their own project funds. Funds received and administered for these projects are not recorded in the Statement of comprehensive Income but are recorded directly in a reserve account created for these "Funds under Administration". These funds received, are deposited into a separate bank account to ring-fence the funds and keep them separate from the Trust's cash reserves. Any expenditure incurred for these projects is recorded directly in the equity account so that the funds held in reserve in the statement of changes in equity directly correlates with the balance for that specific project's bank account.

### **2.5 Reserves**

Ndifuna Ukwazi has created a separate reserve to ring fence funds received specifically for advocate fees relating to various cases in what has been termed the "NU Litigation Reserve". Income specifically received for these litigation matters has been recorded under other income with the corresponding costs related to the litigation being recorded under direct expenditure so the statement of comprehensive income reflects a net amount of surplus funds received for specifically relating to the litigation matters for the financial period. Any portion of these funds which is not spent in the financial year has been allocated in equity to a separate reserve so that these funds are ring-fenced to fund litigation in future periods.

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2019 Carrying value	Cost	Accumulated depreciation	2018 Carrying value
<i>Owned assets</i>						
ICT equipment	152,169	152,169	-	159,821	159,821	-
Furniture and fittings	238,725	232,298	6,427	238,725	220,901	17,824
Office equipment	418,766	228,887	189,879	346,503	181,858	164,645
Computer equipment	153,342	117,606	35,736	128,524	112,093	16,431
Computer software	19,050	19,050	-	19,050	19,050	-
	982,052	750,010	232,042	892,623	693,723	198,900

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

	Carrying value at beginning of period	Additions	Disposals	Depreciation	2019 Carrying value at end of period
<i>Owned assets</i>					
ICT equipment	-	15,553	-	(15,553)	-
Furniture and fittings	17,824	-	-	(11,397)	6,427
Office equipment	164,645	72,263	-	(47,029)	189,879
Computer equipment	16,431	25,819	-	(6,514)	35,736
	198,900	113,635	-	(80,493)	232,042

	Carrying value at beginning of period	Additions	Disposals	Depreciation	2018 Carrying value at end of period
<i>Owned assets</i>					
ICT equipment	-	25,895	-	(25,895)	-
Furniture and fittings	32,689	-	-	(14,865)	17,824
Office equipment	204,128	19,047	-	(58,530)	164,645
Computer equipment	20,576	1,498	-	(5,643)	16,431
	257,393	46,440	-	(104,933)	198,900

### 4. Accounts receivable

Rental deposit	75,225	75,225
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# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>5. Cash and cash equivalents</b>		
Standard Bank Money Market account - Income in advance	2,076,525	1,580,605
Standard Bank Money Market account - Savings	539,275	567,303
Standard Bank Money Market account - NU Litigation reserve	71,580	80,809
Cash on hand	2,101	865
Standard Bank current account	28,447	3,642
Funds held under administration	354,535	140,365
	<u>3,072,463</u>	<u>2,373,589</u>
<b>6. Funds under Administration</b>		
<b>Jared Bertha Fellowship</b>		
Balance at beginning of period	-	-
Funds received on behalf of Bertha Fellowship	428,093	-
Funds expensed on behalf of Bertha Fellowship	(402,315)	-
Balance of funds held under administration at year end	<u>25,778</u>	<u>-</u>
<b>Tramway</b>		
Balance at beginning of period	3,279	3,217
Funds received on behalf of Tramway	142,855	-
Interest received on behalf of Tramway	775	62
Funds expensed on behalf of Tramway	(3,228)	-
Balance of funds held under administration at year end	<u>143,681</u>	<u>3,279</u>
<b>#UniteBehind Campaign</b>		
Balance at beginning of period	-	157,732
Funds received on behalf of #UniteBehind Campaign	-	-
Interest received on behalf of #UniteBehind Campaign	-	2,316
Funds expensed on behalf of #UniteBehind Campaign	-	(160,048)
Balance of funds held under administration at year end	<u>-</u>	<u>-</u>
<b>Reclaim the City</b>		
Balance at beginning of period	31,525	130,090
Funds received on behalf of Reclaim the City	88,386	38,237
Interest received on behalf of Reclaim the City	1,415	7,424
Funds expensed on behalf of Reclaim the City	(48,362)	(144,226)
Balance of funds held under administration at year end	<u>72,964</u>	<u>31,525</u>
<b>SJC Litigation</b>		
Balance at beginning of period	105,560	198,670
Funds received on behalf of SJC Litigation	6,552	11,141
Funds expensed on behalf of SJC Litigation	-	(104,251)
Balance of funds held under administration at year end	<u>112,112</u>	<u>105,560</u>
	<u>354,535</u>	<u>140,364</u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Notes to the Annual Financial Statements

Figures in Rand	2019	2018
<b>7. Trade and other payables</b>		
Other Accruals	190,992	-
Provision for workmen's compensation	28,396	14,995
Leave pay accrual	129,270	119,524
	<u>348,658</u>	<u>134,519</u>
<b>8. Income received in advance</b>		
Income received in advance from Donations	<u>2,088,190</u>	<u>1,573,326</u>
<b>9. Income tax expense</b>		
No provision has been made for taxation as the trust is an exempt organisation in terms of section 10(1)(CN) of the Income Tax Act.		
<b>10. Event after the balance sheet date</b>		
On the 15th of March 2020 the president of South Africa declared a national state of disaster as a measure to limit the negative impact that the novel coronavirus pandemic (COVID-19) could potentially have on the country. Subsequent announcements from the president included the institution of a nationwide national lockdown of all non-essential businesses and services. This commenced on 26th of March 2020 and impacted directly on the activities of the organisation as general prohibitions of public gatherings has not been permitted. The lockdown was initially proposed to only last three weeks but this was extended further to a five week period. Thereafter significant restrictions have remained in place as the government has adopted a staged resumption of economic activities in what is described as a "risk based approach" strategy. This approach does lead to the potential that tougher restrictions may be re-introduced at different future points in time.		
This is a material non-adjusting subsequent event. The financial results of operations as at 31 December 2019 have not been affected by this event. Management do not believe that the impact of these measures by government will have a significant impact on the finances of the Trust going forward as the Trust has stable relationships with its funders who provide funding commitments years in advance. In addition there have been no communications from the funders that future projected funding will be affected due to this global crisis.		
<b>11. Grant Donations received for the year</b>		
Open Society Foundation	375,000	778,000
Claude Leon Foundation	450,000	350,000
Bertha LaBrigada	216,723	-
Bertha Fellowship	56,620	-
The Ford Foundation	1,281,751	1,475,000
The Wallace Foundation	-	500,284
Comic Relief	802,090	-
Bertha Foundation	900,000	850,000
Raith Foundation	1,824,530	1,400,000
Constitutionalism Fund	1,233,333	1,000,000
	<u>7,140,047</u>	<u>6,353,284</u>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Notes to the Annual Financial Statements

Figures in Rand

2019

2018

### 12. NU Litigation matters

#### Net NU Litigation income and costs as disclosed in the income statement

Funds received earmarked for litigation	641,343	393,604
Funds expensed on litigation	(805,201)	(346,778)
Net (shortfall) / surplus of income and expenditure related to NU litigation matters during the year	(163,858)	46,826

#### NU Litigation reserve analysis as presented on the statement of financial position

Opening balance of NU Litigation Reserve	80,809	33,982
Transfer of surplus funds on NU Litigation matters for the current year	-	46,826
Net funds expensed over funds received for the year	(9,228)	1
Balance of funds held at year end	71,581	80,809

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Detailed Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
<b>Income</b>			
Donation income	11	7,140,047	6,353,284
<b>Other income</b>			
Interest received		130,627	88,709
Net surplus of NU Litigation receipts and payments	12	-	46,826
Other income - Bertha admin fee income		7,876	-
Other income - Refunds and reimbursements		900	51,208
		<u>139,403</u>	<u>186,743</u>
<b>Total income</b>		<b><u>7,279,450</u></b>	<b><u>6,540,027</u></b>
<b>Less: Operational expenditure as per schedule</b>		2,244,758	1,894,661
<b>Less: Direct project costs as per schedule</b>		5,054,857	4,546,207
<b>Net (deficit) / surplus for the year</b>		<b><u>(20,165)</u></b>	<b><u>99,159</u></b>
Extraordinary item - accrual for advocates fees in litigation matter		<b>190,992</b>	-
<b>Net (deficit) / surplus for the year after extraordinary item</b>		<b><u>(211,157)</u></b>	<b><u>99,159</u></b>
Allocated to Litigation Reserve		<b>9,228</b>	<b>(80,809)</b>
<b>Net (deficit) / surplus to Retained Income</b>		<b><u>(201,929)</u></b>	<b><u>18,350</u></b>

# NDIFUNA UKWAZI TRUST

(Registration Number IT 540/2011)

Annual Financial Statements for the period ended 31 December 2019

## Detailed Statement of Comprehensive Income

Figures in Rand	2019	2018
<b>Operational expenditure</b>		
Accounting and audit fees	96,502	92,863
Bank charges	21,303	20,427
Books and magazines	6,225	5,014
Catering	25,036	24,416
Commission paid	44,160	-
Depreciation	80,493	104,932
Events (strategy planning, trustees)	26,896	46,693
Furniture and equipment- small assets	8,353	4,303
ICT	20,558	24,019
Insurance	38,589	40,325
Internet costs	7,428	7,368
Leave pay provision adjustment	9,747	651
Net shortfall of NU Litigation receipts and payments	12	163,857
Postage, printing and stationery	68,543	33,043
Refunds/reimbursement	-	3,629
Rent	427,760	397,853
Salaries	1,089,167	1,015,468
Salaries and PAYE	18,601	-
Storage	5,144	5,144
Telephone	30,431	33,929
Training	20,084	8,915
Travel expenses	17,130	21,698
Trustees	4,276	7,439
Workmen`s compensation paid	16,075	14,781
Workmen's compensation provision adjustment	(1,600)	(18,249)
	<u>2,244,758</u>	<u>1,894,661</u>
<b>Direct costs</b>		
Law Centre	1,716,881	1,587,188
Campaigns	353,608	461,856
Organising	1,828,616	1,406,388
Policy, Research and Education	1,155,752	1,051,358
Communications	-	39,417
	<u>5,054,857</u>	<u>4,546,207</u>