



**Malamulele Onward NPC
(Registration Number 2006/032287/08)**

**Annual Financial Statements
For the year ended 31 March 2020**

Malamulele Onward NPC

(Registration number 2006/032287/08)

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non profit company incorporated in terms of Companies Act 2008
Directors	GM Saloojee JA Snyman T Ralintja W Slemming - Chairperson PH Baloyi TJ Jansen Van Vuuren MD Pillay M Ntsoelikane D Mudimu K Krige
Registered office	12A Rhodes Avenue Parktown Johannesburg 2193
Business address	Gate 10 Children's Memorial Institute 13 Joubert Street Ext Braamfontein 2193 Johannesburg
Postal address	P O Box 52641 Saxonwold 2132
Company registration number	2006/032287/08
Tax reference number	9414944158
Non Profit Organisation Registration Number	056-807-NPO
Public Benefit Organisation Number	930025084
Website	www.malamuleleonward.org

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Heemal Bhaga Muljee
CA(SA)

Published

21 November 2020

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Annual Financial Statements for the year ended March 31, 2020

Directors' Responsibilities and Approval

The directors are required in terms of 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards 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 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 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.

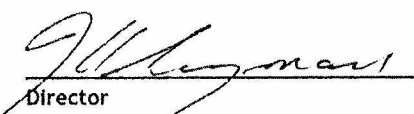
The directors have reviewed the company's cash flow forecast for the year to March 31, 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors 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 auditors and their report is presented on page 5.

The annual financial statements set out on pages 4 to 16, which have been prepared on the going concern basis, were approved by the board on 21 NOVEMBER 20 and were signed on its behalf by:



Director



Director

Parktown

Malamulele Onward NPC

(Registration number 2006/032287/08)

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Malamulele Onward NPC for the year ended 31 March 2020.

1. Review of activities

The company is a registered non profit company incorporated in terms of the Companies Act 2008 and operates principally in South Africa and occasionally in other Southern African countries.

The company is engaged in meeting the rehabilitation needs of under-served children with cerebral palsy and their families living in rural areas in South Africa and other African countries. This is achieved mainly through the provision of specialised therapy services (physio, occupational and speech therapy), equipment and caregiver training where children severely disabled by cerebral palsy have little or no access to rehabilitation therapy and equipment.

Details of the company's programmes and activities during the year under review are contained in the company's annual report.

The operating results and state affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Directorate

The directors in office during the year and at the date of this report are as follows:

Directors	Changes
GM Saloojee	
JA Snyman	
T Ralintja	
W Slemming - Chairperson	
PH Baloyi	
TJ Jansen Van Vuuren	Appointed 16 November 2019
MD Pillay	Appointed 16 November 2019
M Ntsoelikane	Appointed 16 November 2019
D Mudimu	Appointed 29 February 2020
K Krige	Appointed 20 May 2020

3. 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.

4. 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.

The company is dependant on grants from donors. The directors are of the opinion that donors will continue their support in the foreseeable future and have accordingly continued to apply the going concern basis of accounting.



Independent Auditor's Report

To the beneficiaries of

Malamulele Onward NPC

Opinion

We have audited the financial statements of Malamulele Onward NPC (the company) set out on pages 7 to 16, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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, the financial statements present fairly, in all material respects, the financial position of Malamulele Onward NPC as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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 company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Malamulele Onward NPC Annual Financial Statements for the year ended 31 March 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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.

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, 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 Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. For such internal control as the directors 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 directors are responsible for assessing the company'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 directors either **intends** to liquidate the company 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the **directors'** 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 company'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 company 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 directors 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.



BDO South Africa Incorporated
Registered Auditors

Stephen Shaw
Director
Registered Auditor

21 November 2020

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Malamulele Onward NPC

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Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	24 216	41 658
Intangible assets	3	1	9 089
		24 217	50 747
Current Assets			
Inventories	4	10 000	10 000
Receivables	5	54 528	132 120
Cash and cash equivalents	6	3 246 521	251 981
		3 311 049	394 101
Total Assets		3 335 266	444 848
Equity and Liabilities			
Equity			
Designated Income Reserves		3 190 834	295 257
Liabilities			
Current Liabilities			
Trade and other payables	7	144 432	149 591
Total Equity and Liabilities		3 335 266	444 848

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	8	4 454 970	2 063 330
Other income		246 440	446 654
Operating expenses		(1 886 449)	(2 627 923)
Operating (deficit) surplus		2 814 961	(117 939)
Investment revenue - interest received		80 616	16 005
Finance costs		-	(319)
(Deficit) Surplus for the year		2 895 577	(102 253)
Other comprehensive income		-	-
Total comprehensive (deficit) surplus for the year		2 895 577	(102 253)

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Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

Figures in Rand	Designated Income Reserves	Total equity
Balance at 01 April 2018	397 510	397 510
Deficit for the year	(102 253)	(102 253)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(102 253)	(102 253)
Balance at 01 April 2019	295 257	295 257
Deficit for the year	2 895 577	2 895 577
Other comprehensive income	-	-
Total comprehensive deficit for the year	2 895 577	2 895 577
Balance at 31 March 2020	3 190 834	3 190 834

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Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from (used in) operations	10	2 915 922	(284 973)
Interest income		80 616	16 005
Finance costs		-	(319)
Net cash flow from operating activities		2 996 538	(269 287)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 999)	-
Total cash movement for the year		2 994 539	(269 287)
Cash at the beginning of the year		251 981	521 268
Total cash at end of the year	6	3 246 520	251 981

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Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Depreciation is provided on the straight line basis so as to write down cost to residual value over the items estimated. Useful lives for this purpose are:

Item	Average useful life
Furniture and Fixtures	5 years
Office Equipment	5 years
IT Equipment	3 years
Motor vehicles	4 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

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Accounting Policies

1.3 Financial instruments

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive the cash flow have expired or are transferred.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposit, and have been classified as loans and receivables. These are initially recognised at fair value and subsequently measured at amortised cost.

1.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. An impairment loss is recognised immediately in profit or loss.

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Accounting Policies

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.8 Impairment of non-financial assets (Inventories)

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired and if so the company estimates the recoverable amount of the asset. An impairment loss is recognised immediately in profit or loss.

1.9 Income

Income comprises of grants received or receivable in terms of a contract from donors and undesignated donations from various sources.

Donated and volunteer services are recognised when received or performed.

Donations of funds are recognised when received.

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Notes to the Annual Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	45 189	(35 203)	9 986	45 189	(29 729)	15 460
Motor vehicles	29 037	(22 383)	6 654	29 037	(15 123)	13 914
Office equipment	27 128	(22 002)	5 126	25 129	(19 972)	5 157
IT equipment	87 589	(85 139)	2 450	87 589	(80 462)	7 127
Total	188 943	(164 727)	24 216	186 944	(145 286)	41 658

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	15 460	-	(5 474)	9 986
Motor vehicles	13 914	-	(7 260)	6 654
Office equipment	5 157	1 999	(2 030)	5 126
IT equipment	7 127	-	(4 677)	2 450
	41 658	1 999	(19 441)	24 216

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Total
Furniture and fixtures	22 598	(7 138)	15 460
Motor vehicles	21 173	(7 259)	13 914
Office equipment	8 440	(3 283)	5 157
IT equipment	12 315	(5 188)	7 127
	64 526	(22 868)	41 658

3. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	81 738	(81 737)	1	81 738	(72 649)	9 089

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	9 089	(9 088)	1

Details of computer software

Computer software relates to a data management system that allows for the update, recording and monitoring of activities.

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
4. Inventories		
Inventories comprise used equipment donated as gifts-in-kind, at directors valuation	10 000	10 000
Balance at start of year	10 000	25 000
Impairment loss reversed / (raised)	-	(15 000)
	10 000	10 000
5. Receivables		
Trade receivables	54 528	132 120
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	3 227	878
Bank balances	3 243 294	251 103
	3 246 521	251 981
7. Trade and other payables		
VAT	8 158	21 709
Payroll Accrual	40 960	4
Training fees received in advance	30 550	50 530
Accrued Expenses	64 764	77 348
	144 432	149 591
8. Revenue		
Heading		
Anglo American	525 000	350 000
Allan Gray	-	95 910
Australian Community Support	18 352	-
Clyde and Co	-	16 623
Charles Robert Trust	50 000	45 000
DG Murray Trust	-	250 000
Discovery Trust	2 000 000	-
Gifts in Kind	208 295	88 934
International Development and Relief Foundation	101 613	98 278
Malamulele Onward Canada	53 784	94 187
Onyx	200 400	-
Other designated grants and general donations	287 526	214 398
Paige project	50 000	-
Rocbolt Technologies	160 000	200 000
RB Hagart Trust	250 000	-
St Mary's DSG	-	60 000
The Elma Foundation	550 000	550 000
	4 454 970	2 063 330

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
9. Taxation		
No provision for taxation has been provided for as the company is a Public Benefit Organisation in terms of section 30 of the Income Tax Act and is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.		
10. Cash generated from operations		
(Deficit) Surplus before taxation	2 895 577	(102 253)
Adjustments for:		
Depreciation and amortisation	28 528	50 112
Interest received - investment	(80 616)	(16 005)
Finance costs	-	319
Impairment of inventory	-	15 000
Changes in working capital:		
Receivables	77 592	(72 726)
Trade and other payables	(5 159)	(159 420)
	2 915 922	(284 973)

11. Risk management

The company's activities expose it to certain financial and other risk. Risk management is carried out by management under policies approved by the Board.

Interest rate risk

The company's surplus cash earns interest at variable rates. Cash flow will therefore vary with changes in the level of interest rates. However, the effect of a change in the level of interest rates of a reasonably expected magnitude (eg 1%) is not material.

Credit risk

Credit risk arises mainly on cash deposits. The company only deposits cash with major banks with high quality credit standing.

Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.