

Malamulele Onward NPC
(Registration number 2006/032287/08)
Annual financial statements
for the year ended 31 March 2015

Malamulele Onward NPC

(Registration number 2006/032287/08)

Annual Financial Statements for the year ended 31 March 2015

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	AD Rothberg AL Fourie GM Saloojee - Executive Director JA Snyman JC Whitter - Chairman T Ralintja
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

Lisa Roodt
CA(SA)

Published

31 July 2015

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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.

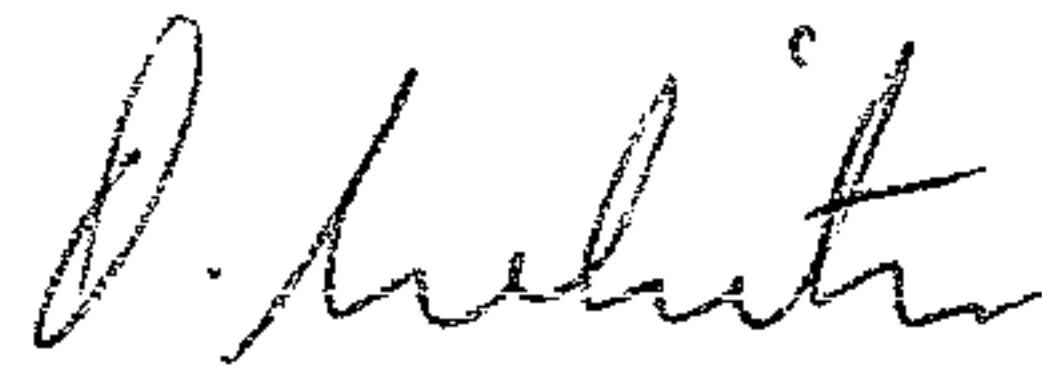
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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.

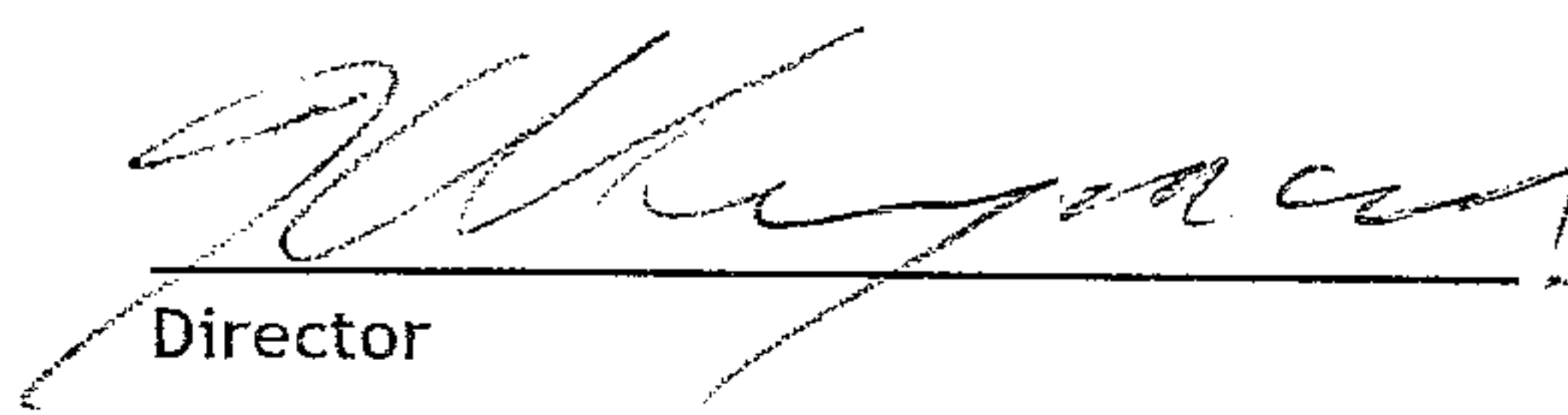
The directors have reviewed the company's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external 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 6 to 14, which have been prepared on the going concern basis, were approved by the board on 31 July 2015 and were signed on its behalf by:



Director



Director

Malamulele Onward NPC

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Annual Financial Statements for the year ended 31 March 2015

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 2015.

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 at the date of this report are as follows:

Directors

AD Rothberg

AL Fourie

GM Saloojee - Executive Director

JA Snyman

JC Whitter - Chairman

SA Broughton

T Ralintja

Resigned 16 August 2014

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 Auditors' Report

To the Shareholder of Malamulele Onward NPC

We have audited the annual financial statements of Malamulele Onward NPC, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 5 to 14.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 annual financial statements.

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

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for Malamulele Onward NPC. It is impracticable to establish internal controls over the collection of donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all donations were recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Malamulele Onward NPC as at 31 March 2015, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 15 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors
Per: Stephen Shaw
Partner
31 July 2015

Malamulele Onward NPC

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Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	67 213	25 359
Current Assets			
Inventories	3	100 000	100 000
Receivables	4	13 432	5 741
Cash and cash equivalents	5	1 647 499	1 994 658
Total Assets		1 760 931	2 100 399
		1 828 144	2 125 758
Equity and Liabilities			
Equity			
Designated Income Reserves		1 779 390	2 069 918
Liabilities			
Current Liabilities			
Trade and other payables	6	48 754	55 840
Total Equity and Liabilities		1 828 144	2 125 758

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Annual Financial Statements for the year ended 31 March 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Donor/Income Source			
Other income	7	3 612 842	4 883 193
Operating expenses		87 204	11 950
Operating (deficit) surplus		(3 988 017)	(4 246 328)
Finance costs		(287 971)	648 815
(Deficit) Surplus for the year		(2 557)	(5)
Other comprehensive income		(290 528)	648 810
Total comprehensive (deficit) surplus for the year		(290 528)	648 810

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Annual Financial Statements for the year ended 31 March 2015

Statement of Changes in Equity

Figures in Rand	Designated Income Reserves	Total equity
Balance at 01 April 2013	1 421 108	1 421 108
Surplus for the year	648 810	648 810
Other comprehensive income	-	-
Total comprehensive surplus for the year	648 810	648 810
Balance at 01 April 2014	2 069 918	2 069 918
Deficit for the year	(290 528)	(290 528)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(290 528)	(290 528)
Balance at 31 March 2015	1 779 390	1 779 390

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Annual Financial Statements for the year ended 31 March 2015

Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash (used in) generated from operations	9	(284 892)	769 243
Finance costs		(2 557)	(5)
Net cash flow from operating activities		(287 449)	769 238
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(59 709)	(23 729)
Total cash movement for the year		(347 158)	745 509
Cash at the beginning of the year		1 994 658	1 249 149
Total cash at end of the year	5	1 647 500	1 994 658

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Annual Financial Statements for the year ended 31 March 2015

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

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 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 rate method.

Trade and other payables

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

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Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1.3 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.

1.4 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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Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

Figures in Rand

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
2. Property, plant and equipment						
Furniture and fixtures	24 189	(9 780)	14 409	9 500	(7 489)	2 011
Office equipment	14 310	(6 811)	7 499	14 310	(3 949)	10 361
IT equipment	70 486	(25 181)	45 305	25 466	(12 479)	12 987
Total	108 985	(41 772)	67 213	49 276	(23 917)	25 359

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2 011	14 689	(2 291)	14 409
Office equipment	10 361	-	(2 862)	7 499
IT equipment	12 987	45 020	(12 702)	45 305
	25 359	59 709	(17 855)	67 213

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	3 911	-	(1 900)	2 011
Office equipment	3 592	8 784	(2 015)	10 361
IT equipment	1 097	14 945	(3 055)	12 987
	8 600	23 729	(6 970)	25 359

3. Inventories

Inventories comprise used equipment donated as gifts-in-kind, at directors valuation	100 000	221 975
Less: equipment distributed during the year - at valuation	100 000	221 975
Impairment loss reversed / (raised)	(28 900)	(57 700)
	28 900	(64 275)
	100 000	100 000

4. Receivables

Employee costs in advance	3 300	-
Deposits	-	876
VAT	10 132	4 865
	13 432	5 741

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	212	1 000
Bank balances	1 647 287	1 993 658
	1 647 499	1 994 658

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Notes to the Annual Financial Statements

Figures in Rand	2015	2014
6. Trade and other payables		
Payroll Accrual	23 078	23 773
Accrued Volunteer Expenses	25 676	32 067
	48 754	55 840
7. Revenue		
Apex Hi Trust	-	150 000
Blue Label	70 000	40 000
DG Murray Trust	1 055 900	1 680 000
Donated and volunteer services	170 000	245 900
The Elma Foundation	550 000	500 000
Gifts-in-Kind	92 648	147 950
Interest Received	68 672	39 326
Malamulele Onward Canada	370 145	494 560
RB Hagart Trust	-	200 000
Other designated grants and general donations	118 677	205 457
Anglo America	300 000	980 000
Gary Austin	35 000	200 000
Momentum	250 000	-
WSB Trust	250 000	-
The National Lottery	281 800	-
	3 612 842	4 883 193

8. 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.

9. Cash used in operations

(Deficit) Surplus before taxation	(290 528)	648 810
Adjustments for:		
Depreciation and amortisation	17 856	6 970
Finance costs	2 557	5
Impairment loss	-	64 275
Changes in working capital:		
Inventories	-	57 700
Receivables	(7 691)	(1 182)
Trade and other payables	(7 086)	(7 335)
	(284 892)	769 243

10. 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.

Liquidity risk

Liquidity risk is the risk that insufficient funds will be available to meet future obligations as they fall due. The directors manage the company's commitments in accordance with funds that will be available.

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Notes to the Annual Financial Statements

Figures in Rand

2015

2014

10. Risk management (continued)

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.

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Detailed Income Statement for the year 31 March 2015

	2015 R	2014 R
Income		
Donations and grants		
The Elma Foundation	550,000	500,000
Malamulele Onward Canada	370,145	494,560
Momentum	250,000	-
Blue Label	70,000	40,000
Anglo American	300,000	980,000
DG Murray Trust	1,055,900	1,680,000
RB Hagart Trust	-	200,000
Gary Austin	35,000	200,000
Apex Hi Trust	-	150,000
The National Lottery	281,800	-
WSB Trust	250,000	-
Other designated grants and general donations	118,677	205,457
Gifts-in-kind	92,648	147,950
Donated and volunteer services	170,000	245,900
	3,544,170	4,843,867
Other income	87,205	11,950
Interest received	68,672	39,326
	3,700,047	4,895,143
Direct Project Expenses		
Malamulele, Limpopo	48,799	25,385
Dilokong Hospital, Limpopo	38,863	27,981
Butterworth, Zithulele & Tafalofefe, Eastern Cape	354,213	197,790
Other Southern Africa projects	77,988	43,526
Siloam Hospital, Limpopo	50,418	43,550
Tintswalo, Mpumalanga	85,396	-
Donald Fraser Hospital, Limpopo	-	191,920
Charles Johnson Memorial Hospital, Nqutu, KwaZulu-Natal	400,847	409,651
Mother to Mother training program	436,152	326,292
Gifts-in-kind distributed	16,648	51,500
Therapy blocks program, Johannesburg	1,019,851	627,844
	2,529,175	1,945,439
Project management and operating expenses		
Accounting fees	50,050	29,350
Advertising & promotions	16,339	-
Bank charges	11,033	15,522
Board expenses	1,444	2,727
Computer expenses	19,793	2,137
Depreciation	17,856	6,970
Electricity & water	589	-
Employee costs	814,307	793,624
Equipment inventory impairment	-	64,275
Insurances	14,586	7,545
Office expenses	17,687	9,741
Printing & stationery	34,638	29,261
Lease rentals	67,527	52,422
Repairs & maintenance	2,556	1,312
Small assets	2,106	-
Subscriptions	500	1,099
Telecommunications	20,713	20,402
Training	38,968	15,520
Travel	20,392	11,771
	1,151,084	1,063,678
Leasehold improvements	307,760	1,237,211
Total expenditures	3,988,019	4,246,328
Finance Costs	2,557	5
(Deficit) / surplus for the year	(290,529)	648,810