

Akkerdoppies Pre-Primary School
(A division of Sibusisiwe Community Care NPC)
Annual financial statements
for the year ended 29 February 2012

Akkerdoppies Pre-Primary School (A division of Sibusisiwe Community Care NPC)
Annual Financial Statements for the year ended 29 February 2012

General Information

Country of incorporation and domicile	South Africa
NPO Registration number	NPO 050-213
Nature of business and principal activities	Education of under privileged children
Business address	Dr Malanstraat 1 La Colline Stellenbosch 7600
Postal address	24 Thibault Street Stellenbosch 7600 7551
Bankers	Nedbank Limited

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The annual financial statements set out on pages 4 to 11, which have been prepared on the going concern basis, were approved by the board on _____ and were signed on its behalf by:

D de Villiers

S Mouton

Compilation report

To Akkerdoppies Pre-Primary School (A division of Sibusisiwe Community Care NPC)

On the basis of information provided by the directors we have compiled, in accordance with the statement of International Standard on Related Services applicable to compilation engagements, the balance sheet of Akkerdoppies Pre-Primary School (A division of Sibusisiwe Community Care NPC) at 29 February 2012 and statements of income and cash flows for the year then ended. The directors are responsible for these annual financial statements. We have not audited or reviewed these annual financial statements, and accordingly express no assurance thereon.

We draw attention to Note to the financial statements because the directors has elected not to capitalise the leases on plant and machinery which is a departure from the identified financial reporting framework. Insert additional text in respect of information requiring emphasis.

PricewaterhouseCoopers Inc.
Registered Auditor

Place of signature
31 May 2010

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Balance Sheet

	Notes	2012 R	2011 R
Assets			
Current Assets			
Trade and other receivables	2	54,430	46,168
Cash and cash equivalents	3	220,954	288,541
		<u>275,384</u>	<u>334,709</u>
Non-Current Assets			
Property, plant and equipment	4	727,726	674,642
Total Assets		<u>1,003,110</u>	<u>1,009,351</u>
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	5	57,119	1,782
Other liabilities	6	60,088	93,377
		<u>117,207</u>	<u>95,159</u>
Equity			
Accumulated funds		885,903	914,192
Total Equity and Liabilities		<u>1,003,110</u>	<u>1,009,351</u>

The notes on pages 10 to 11 are an integral part of these financial statements.

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Income statement

	Notes	2012 R	2011 R
Revenue			
School fees		1,030,313	708,182
Corporate donations		225,800	144,200
Other donations		-	135,000
	7	1,256,113	987,382
Other income			
Other income		21,345	9,310
Operating expenses			
Advertising		777	-
Assets (less than R7,000 per item)		59,121	55,829
Bad debts		50,002	30,948
Bank charges		1,094	1,042
Cleaning		14,846	4,555
Computer expenses		-	9,390
Consulting fees		6,600	-
Depreciation		234,445	221,446
Employee costs		672,601	430,020
Entertainment		-	12,189
Food		104,667	85,308
Garden services		2,336	12,207
General expenses		1,241	954
Gifts		4,117	-
Motor vehicle expenses		250	-
Postage		23	-
Printing and stationery		4,353	1,074
Rental expense		56,004	40,260
Repairs and maintenance		36,967	29,806
Security		7,456	2,683
Staff welfare		4,936	-
Subscriptions		900	-
Telephone and fax		9,328	7,401
Training		200	-
Travel - local		4,026	-
Utilities		29,457	24,256
		1,305,747	969,368
Operating (loss) profit		(28,289)	27,324
Taxation	9	-	-
(Loss) profit for the year		(28,289)	27,324

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Statement of Changes in Equity

	Accumulated funds R	Total equity R
Balance at 01 March 2010	886,868	886,868
Changes in equity		
Profit for the year	27,324	27,324
Total changes	<u>27,324</u>	<u>27,324</u>
Balance at 01 March 2011	914,192	914,192
Changes in equity		
Loss for the year	(28,289)	(28,289)
Total changes	<u>(28,289)</u>	<u>(28,289)</u>
Balance at 29 February 2012	<u>885,903</u>	<u>885,903</u>

The notes on pages 10 to 11 are an integral part of these financial statements.

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Statement of Cash Flows

	Notes	2012 R	2011 R
Cash flows from operating activities			
Cash generated from operations	10	<u>253,230</u>	<u>235,642</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	<u>(287,528)</u>	<u>(39,367)</u>
Cash flows from financing activities			
(Decrease) / increase in other liabilities		<u>(33,289)</u>	<u>60,851</u>
Net increase in cash, cash equivalents for the year		(67,587)	257,126
Cash, cash equivalents at the beginning of the year		<u>288,541</u>	<u>31,415</u>
Cash, cash equivalents at end of the year	3	<u>220,954</u>	<u>288,541</u>

The notes on pages 10 to 11 are an integral part of these financial statements.

Accounting Policies

1. Basis of presentation

The annual financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium Sized Entities (SA GAAP for SME's), 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.

These accounting policies are consistent with the previous year.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are expected to be used during more than one period.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Land is not depreciated. Depreciation on other assets is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Leasehold improvements	Period of the lease
Furniture and fixtures	6 years
Containers	10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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 and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Accounting Policies

1.2 Impairment of assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount.

If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.3 Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

1.4 Cash and cash equivalents

'Cash and cash equivalents' includes cash on hand and cash at bank.

1.5 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Donations are recognised on receipt.

School fee income is recognised on an accrual basis in the period when the services are rendered.

Notes to the Annual Financial Statements

	2012 R	2011 R
2. Trade and other receivables		
Trade receivables	52,930	46,168
Staff loans	1,500	-
	<u>54,430</u>	<u>46,168</u>

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	18,945	1,000
Bank balances	202,009	287,541
	<u>220,954</u>	<u>288,541</u>

4. Property, plant and equipment

	2012			2011		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	810,296	(436,781)	373,515	810,295	(234,207)	576,088
Furniture and fixtures	138,099	(52,298)	85,801	128,001	(29,447)	98,554
Containers	277,430	(9,020)	268,410	-	-	-
Total	1,225,825	(498,099)	727,726	938,296	(263,654)	674,642

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Leasehold improvements	576,088	-	(202,573)	373,515
Furniture and fixtures	98,554	10,098	(22,851)	85,801
Containers	-	277,430	(9,020)	268,410
	<u>674,642</u>	<u>287,528</u>	<u>(234,444)</u>	<u>727,726</u>

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Leasehold improvements	759,589	17,680	(201,181)	576,088
Furniture and fixtures	97,132	21,687	(20,265)	98,554
	<u>856,721</u>	<u>39,367</u>	<u>(221,446)</u>	<u>674,642</u>

5. Trade and other payables

Trade payables	45,071	1,782
Other payables	12,048	-
	<u>57,119</u>	<u>1,782</u>

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Notes to the Annual Financial Statements

	2012 R	2011 R
6. Other liabilities		
Sponsor a child donations	<u>60,088</u>	<u>93,377</u>
7. Revenue		
School fees	1,030,313	708,182
Corporate donations	225,800	144,200
Other donations	-	135,000
	<u>1,256,113</u>	<u>987,382</u>
8. Other income		
Fundraising activities	<u>21,345</u>	<u>9,310</u>
9. Income tax expense		
No provision has been made for income tax expense as the entity is exempt from income tax.		
10. Cash generated from operations		
(Loss) / profit before taxation	(28,289)	27,324
Adjustments for:		
Depreciation	234,445	221,446
Changes in working capital:		
Trade and other receivables	(8,262)	(14,910)
Trade and other payables	55,336	1,782
	<u>253,230</u>	<u>235,642</u>