

Ezrah Community Training and Development NPC
(Registration number 2013/227807/08)

Annual Financial Statements
for the year ended 28 February 2018

Ezrah Community Training and Development NPC

(Registration number: 2013/227807/08)

Annual Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Assistance to community-based organisations through capacity building, leadership development and training
Directors	L.A. Huysamen M. Jacobs M.P. Meyer
Registered office	First Floor Alexandra Building 147 Main Road Somerset West 7130
Postal address	PO Box 1021 Strand 7139
Bankers	First National Bank (FNB)
Company registration number	2013/227807/08
Tax reference number	9118318196
Auditors	Emma Pardoe Chartered Accountants (SA) Registered Auditor PR 03338611
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Issued	01 August 2018

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Directors' Responsibilities and Approval

The directors are required by 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

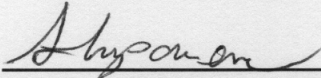
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards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

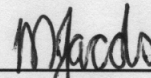
The directors have reviewed the company's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 4.

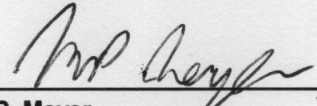
The annual financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board of directors and were signed by:


L.A. Huysamen

2/08/2018
Date


M. Jacobs

2/08/2018
Date


M.P. Meyer

2/8/2018
Date

Independent Auditor's Report

To the stakeholders of Ezrah Community Training and Development NPC

Opinion

We have audited the annual financial statements of Ezrah Community Training and Development NPC set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ezrah Community Training and Development NPC as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company 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 annual 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 opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

Independent Auditor's Report

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the 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 misstatement, whether due to fraud or error.

In preparing the annual 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

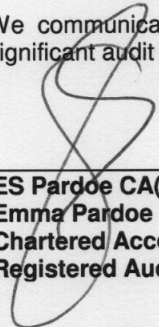
Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.



ES Pardoe CA(SA)
Emma Pardoe
Chartered Accountants (SA)
Registered Auditor


Date

Ezrah Community Training and Development NPC

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Annual Financial Statements for the year ended 28 February 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Ezrah Community Training and Development NPC for the year ended 28 February 2018.

1. Incorporation

The company was incorporated on 5 December 2013 and obtained its certificate to commence business on the same day.

2. Nature of business

Ezrah Community Training and Development NPC was incorporated in South Africa with interests in the non-profit industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

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

Directors	Nationality
L.A. Huysamen	South African
M. Jacobs	South African
M.P. Meyer	South African

There have been no changes to the directorate for the period under review.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. 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.

7. Secretary

The company secretary is Mariette Jacobs.

8. Terms of appointment of the auditors

Emma Pardoe Chartered Accountants (SA) continued in office as auditors for the 2019 financial year.

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Statement of Financial Position as at 28 February 2018

	Notes	2018 R	2017 R
Assets			
Current Assets			
Trade and other receivables	2	6,400	-
Cash and cash equivalents	3	10,714	681
		17,114	681
Total Assets		17,114	681
Equity and Liabilities			
Equity			
Retained income		16,938	554
Liabilities			
Current Liabilities			
Trade and other payables	4	176	127
Total Equity and Liabilities		17,114	681

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Statement of Comprehensive Income

	Notes	2018 R	2017 R
Revenue	5	132,700	186,418
Programme costs	6	(60,757)	(30,520)
Gross profit		71,943	155,898
Other income	7	63,456	1,250
Operating expenses		(119,016)	(162,174)
Operating profit / (loss)		16,383	(5,026)
Profit / (loss) for the year		16,383	(5,026)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		16,383	(5,026)

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Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2016	5,580	5,580
Loss for the year	(5,026)	(5,026)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,026)	(5,026)
Balance at 01 March 2017	554	554
Profit for the year	16,383	16,383
Other comprehensive income	-	-
Total comprehensive income for the year	16,383	16,383
Balance at 28 February 2018	16,937	16,937

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Statement of Cash Flows

	Notes	2018 R	2017 R
Cash flows from operating activities			
Cash receipts from customers		189,756	192,168
Cash paid to suppliers and employees		(179,724)	(192,752)
Cash generated from / (used in) operations		10,032	(584)
Net cash from / (used in) operating activities		10,032	(584)
Total cash movement for the year			
Cash at the beginning of the year		680	1,265
Total cash at end of the year	3	10,712	681

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, 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 period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the 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.

1.3 Tax

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

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Accounting Policies

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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Notes to the Annual Financial Statements

	2018 R	2017 R
2. Trade and other receivables		
Trade receivables	6,400	-
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	95	266
Bank balances	10,619	415
	10,714	681
4. Trade and other payables		
Trade payables	176	127
5. Revenue		
Rendering of services	132,700	186,418
6. Programme costs		
Rendering of services		
Cost of services	60,757	30,520
7. Other income		
Donations	-	1,250
Donations - CP Programme	53,956	-
Training fees	9,500	-
	63,456	1,250
8. Auditor's remuneration		
Fees	10,830	10,260
9. Employee cost		
Employee costs		
Basic	84,840	127,260
10. Taxation		

With effect from 5 December 2013 SARS granted Ezrah Community Training and Development NPC exemption from income tax as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

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Notes to the Annual Financial Statements

	2018	2017
	R	R

11. Directors' remuneration

Executive

2018

	Emoluments	Total
M. Jacobs	119,947	119,947

2017

	Emoluments	Total
M. Jacobs	127,260	127,260

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Detailed Income Statement

	Notes	2018 R	2017 R
Revenue			
Rendering of services		132,700	186,418
Programme costs			
Drakenstein CP programme		(50,286)	-
Other programmes		(10,471)	(30,520)
	6	(60,757)	(30,520)
Gross profit		71,943	155,898
Other income			
Donations - CP Programme		53,956	-
Donations - Other		-	1,250
Training fees		9,500	-
		63,456	1,250
Operating expenses			
Accounting fees		(1,661)	(1,796)
Advertising		-	(150)
Affiliation fees		(900)	(500)
Auditors remuneration	8	(10,830)	(10,260)
Bank charges		(1,656)	(1,662)
Commission paid		(350)	(350)
Employee costs	9	(84,840)	(127,260)
Event fees		(150)	(100)
Internet and email		(2,388)	(2,388)
Postage		(582)	(85)
Printing and stationery		(923)	(3,352)
Refreshments		(1,546)	(957)
Rent paid		(3,000)	(3,000)
Small assets		-	(3,199)
Staff and board development		(8,358)	(4,500)
Staff welfare		(359)	(295)
Supplies		-	(161)
Travel - local		(1,473)	(2,159)
		(119,016)	(162,174)
Profit / (loss) for the year		16,383	(5,026)